



GAIL FARBER, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

August 06, 2013

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

26 August 6, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

SET FOR HEARING: AUGUST 27, 2013

RESOLUTION OF INTENTION AND INTRODUCTION OF AN ORDINANCE TO GRANT A 50-YEAR PROPRIETARY WELL AND WATER PIPELINE FRANCHISE IN THE COUNTY HIGHWAYS AND LEASE AGREEMENT BETWEEN THE LOS ANGELES FLOOD CONTROL DISTRICT AND MONTROSE CHEMICAL CORPORATION OF CALIFORNIA ACROSS PRIVATE DRAIN NO. 181 IN THE UNINCORPORATED COUNTY AREA OF TORRANCE (SUPERVISORIAL DISTRICT 2) (3 VOTES)

SUBJECT

This action is to grant a well and water pipeline franchise to Montrose Chemical Corporation of California in various highways in the unincorporated County area of Torrance and to approve a Lease Agreement between the Los Angeles County Flood Control District and Montrose Chemical Corporation of California for the construction, operation, and maintenance of a water pipeline across Private Drain No. 181 in the unincorporated County area of Torrance.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the Resolution of Intention to grant Montrose Chemical Corporation of California, a proprietary well and water pipeline franchise.
2. Introduce, waive reading, and place on the Board's agenda an ordinance to grant Montrose Chemical Corporation of California, a Delaware Corporation, a 50-year proprietary well and water pipeline franchise, set the matter for Public Hearing on August 27, 2013, and instruct the Executive Officer of the Board to publish a Notice of Public Hearing pursuant to California Public Utilities Code Section 6232.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:

1. Find that the lease agreement between the Los Angeles County Flood Control District and Montrose Chemical Corporation of California will not interfere with the Los Angeles County Flood Control District's use of Private Drain No. 181.
2. Delegate authority to the Chief Engineer or her designee to sign the lease agreement and authorize delivery to the Montrose Chemical Corporation of California.

AFTER THE PUBLIC HEARING, IT IS RECOMMENDED THAT THE BOARD:

Adopt the ordinance to grant Montrose Chemical Corporation of California a proprietary well and water pipeline franchise across various County highways in the unincorporated County area of Torrance.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to approve a Resolution of Intention (Enclosure A), introduce an ordinance (Enclosure B), schedule a Public Hearing, and publish a Notice of Public Hearing as needed to adopt an ordinance to grant Montrose Chemical Corporation of California (Montrose) a 50-year proprietary well and water pipeline franchise in various County highways in the unincorporated County area of Torrance.

The purpose is also to obtain approval from the Board, acting as the governing body of the Los Angeles County Flood Control District (LACFCD), to delegate authority to Public Works to approve a lease agreement (lease) (Enclosure C) between the LACFCD and Montrose over a portion of Private Drain No. 181 in the unincorporated County area of Torrance.

The area where the proposed franchise and lease are located is part of a designated Superfund site under the Federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA). As part of the cleanup of the site, the United States Environmental Protection Agency (EPA) is requiring Montrose, which formerly operated a chemical manufacturing plant on the site, to construct and operate a groundwater treatment system (GWTS) to remediate contaminated groundwater. The GWTS will be comprised of a series of pipelines and associated infrastructure to transport water between Montrose's groundwater treatment plant and a series of extraction and injection wells. The franchise agreement and lease agreement are required to operate and maintain these GWTS facilities within County highways and LACFCD right of way.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provisions of Operational Effectiveness (Goal 1) and Fiscal Sustainability (Goal 2). The revenue received from this transaction will help promote fiscal sustainability for the operation and maintenance of County highways and flood control facilities. This project also improves human health, safety, and the environment of the County.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

Montrose will pay the County and the LACFCD a one-time fee of \$100,000 to process the ordinance, to grant the franchise, to grant the lease, and to obtain the required permits of which \$80,000 will be deposited into the Road Fund and \$20,000 will be deposited into the Flood Control District Fund. A deposit of \$25,000 has been received.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Montrose's project proposes to lay, construct, reconstruct, maintain, operate, renew, repair, change the size of, remove, or abandon in place approximately 29,400 feet of pipeline within County highways and LACFCD right of way, and six wells, valves, vaults, control boxes, and other appurtenant facilities for the extraction, injection, and transportation of groundwater, together with all manholes, valves, control wires, cathodic protection systems, appurtenances, and service connections necessary or appropriate for the operation of said wells, pipes, pipelines, vaults, and control boxes and operation of adjunct communication lines, including poles, conduits, wires, cables, and other equipment for telegraph or telephone lines necessary or appropriate for Montrose's GWTS.

Division 3, Title 16 of the County Code authorizes the Board to grant a franchise. County Counsel has reviewed the accompanying Resolution of Intention and approved it as to form.

Pursuant to Section 6232 of the California Public Utilities Code, the Executive Officer of the Board shall arrange for the publishing of a notice of the Public Hearing in a newspaper of general circulation in the County at least once within 15 days after the Board's adoption of the Resolution of Intention.

Private Drain No. 181 is located at Javelin Street in the unincorporated County area of Torrance.

The Lease is authorized by Section 2, paragraph 13, of the Los Angeles County Flood Control Act. This section provides as follows: "The Los Angeles County Flood Control District is hereby declared to be a body corporate and politic, and has all the following powers...13. To lease, sell or dispose of any property (or any interest therein) whenever in the judgment of the board of supervisors of the property, or any interest therein or part thereof, is no longer required for the purposes of the district, or may be leased for any purpose without interfering with the use of the same for the purposes of the district..."

The Lease is not considered adverse to the LACFCD's purposes and would not hinder the use of the Los Angeles River as possible transportation, utility, or recreational corridors. County Counsel has approved the Lease as to form, and subsequent to Board action on this matter and execution by the Chief Engineer or her designee, the Lease will be recorded.

Because of some unique circumstances surrounding this franchise and lease as part of an EPA-ordered cleanup of a Superfund site, the Department of Public Works is recommending approval of some modifications to the standard franchise and lease provisions relating to Environmental Impairment Liability (EIL) insurance and surety bonds. EIL insurance would typically be required in order to provide coverage for liability resulting from environmental contamination caused by spills and unpermitted discharges from pipelines or other improvements installed in connection with a franchise or lease. The purpose of a surety bond is to guarantee performance of certain

requirements of the franchise and lease, such as the requirement that Montrose properly remove or abandon in place the facilities and improvements at the termination of the franchise and lease.

Pursuant to CERCLA, Montrose's obligations relating to the site cleanup will be set forth in a Consent Decrees with the EPA, and Montrose will provide security satisfactory to the EPA to guarantee those obligations. Montrose objected to the requirement that it procure EIL insurance and a surety bond for the 50-year term of the franchise and lease because it argued that this would not only be duplicative of obligations under the Consent Decree but will also significantly increase the costs of the site cleanup. Montrose, the County, and LACFCD have therefore agreed that either Montrose or its contractor will carry EIL insurance and that Montrose will maintain a surety bond until such time as the Consent Decree is entered into with the EPA for the operation and maintenance of the GWTS that contains certain provisions that would provide the County and LACFCD with protections that are similar to those that an EIL policy and a bond would provide. The Consent Decree would require, among other things, that Montrose (1) notify the County and the LACFCD of any unpermitted spills and take appropriate action to minimize and clean up any spills and (2) comply with obligations under the franchise and lease including the requirement to remove or abandon in place the facilities and improvements at the termination of the franchise and lease. The EPA has agreed to include these provisions in the Consent Decree.

The Consent Decree will therefore provide the County and LACFCD with limited protection in the event that Montrose does not have the funds to comply with its obligations under the franchise ordinance and lease or in the event of a spill from the franchise pipelines. The County and LACFCD are not parties to the Consent Decree, however, and may not have the ability to enforce these provisions in the Consent Decree. The EPA has refused to include language in the Consent Decree that would give the County a right to enforce the Consent Decree directly, so the County must rely for enforcement upon the EPA and the California Department of Toxic Substances Control, which is also a party. The EPA has indicated that it is committed to enforcing all terms of the Consent Decree and to making sure that any spills are remediated, and it has also agreed to provide periodic reports to the County and the LACFCD on the status of the cleanup project and to meet and confer with the County and LACFCD in the event that any issues should arise. Nevertheless, there is no guarantee that the County and LACFCD will be shielded from all costs or liabilities associated with the franchise and lease.

ENVIRONMENTAL DOCUMENTATION

Before issuing a Record of Decision for groundwater remediation at the Montrose Superfund site, EPA was required under CERCLA to engage in a remedy selection process, which included a detailed analysis of alternatives as well as impacts to human health and the environment. EPA was then required to incorporate all applicable or relevant and appropriate State law requirements (ARARs) into the Record of Decision. Generally speaking, CERCLA precludes State law requirements pertaining to the site remediation that are not included as ARARs. While the remedy selection process employed by the EPA included procedures and requirements that are similar to those required by the California Environmental Quality Act (CEQA), such as consideration of alternatives, analysis of environmental impacts, and the opportunity for public comment, the Record of Decision did not incorporate compliance with CEQA as an ARAR. Because the County's issuance of the franchise and the LACFCD's issuance of the lease are inextricably connected with the EPA's groundwater remediation plan as set forth in the Record of Decision, compliance with CEQA is not required because it is precluded and/or preempted by CERCLA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action will have no impact or adverse effect on any current services or future County projects and allows for the joint use of the LACFCD's right of way without interfering with the primary mission of the LACFCD.

CONCLUSION

Please return one adopted copy of this letter, Resolution of Intention, and Franchise Ordinance to the Department of Public Works, Survey/Mapping & Property Management Division. Retain the duplicates for your records.

Respectfully submitted,



GAIL FARBER
Director

GF:SGS:mr

Enclosures

c: Auditor-Controller (Accounting Division - Asset Management)
Chief Executive Office (Rita Robinson)
County Counsel
Executive Office

ENCLOSURE A

RESOLUTION OF INTENTION TO GRANT A 50-YEAR PROPRIETARY WELL
AND PIPELINE FRANCHISE TO MONTROSE CHEMICAL
CORPORATION OF CALIFORNIA

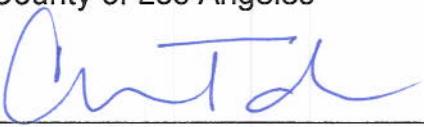
BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles,
State of California:

- A. Montrose Chemical Corporation of California (Franchisee) has applied to the Board of Supervisors of the County of Los Angeles, State of California, for a franchise for a period of fifty (50) years, beginning on September 26, 2013, the operative date of the franchise, to construct and operate a groundwater treatment system to remediate contaminated groundwater, comprised of a series of pipelines, extraction and injection wells, and other appurtenant facilities for the Franchisee's operations in various highways in the unincorporated area of the County of Los Angeles as defined in Section 16.36.080 of the Los Angeles County Code now or hereafter dedicated to public use within the unincorporated territory of the County of Los Angeles to the ordinance, State of California, more particularly shown on Exhibit A to the Ordinance, attached hereto and made a part hereof, (Franchise Area).
- B. It is the intention of the Board of Supervisors of the County of Los Angeles, State of California, to grant the franchise applied for upon the terms and conditions herein mentioned. The Franchisee and its successors and assigns will, during the life of its franchise, comply with the terms of the franchise from the date of the granting of the franchise and in the event such terms are not fulfilled the franchise will be forfeited.
- C. The franchise to be described in the Ordinance is a franchise for well and water pipeline purposes.
- D. That on the 27th day of August 2013, at the hour of 9:30 a.m. of said day, a day not less than twenty (20) or more than sixty (60) days after the date of the passage of this Resolution of Intention, in the hearing room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, all persons having any objection to the granting of the franchise hereinabove described may appear before the Board of Supervisors and be heard thereon.
- E. The Executive Officer, Board of Supervisors, shall cause notice of said hearing to be published at least once within fifteen (15) days after adoption of this Resolution of Intention in a newspaper of general circulation published in the County of Los Angeles, State of California.

The foregoing resolution was on the 6th day of August, 2013, adopted by the Board of Supervisors of the County of Los Angeles, State of California, and ex-officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

SACHI A. HAMAI
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By:


Deputy



APPROVED AS TO FORM BY:

JOHN F. KRATTLI
County Counsel

By: Julia Wiesman
Deputy

OM:mr

P:\MPPUB\ADMIN\MARIA\MONTROSE RESOLUTION OF INTENTION.DOC

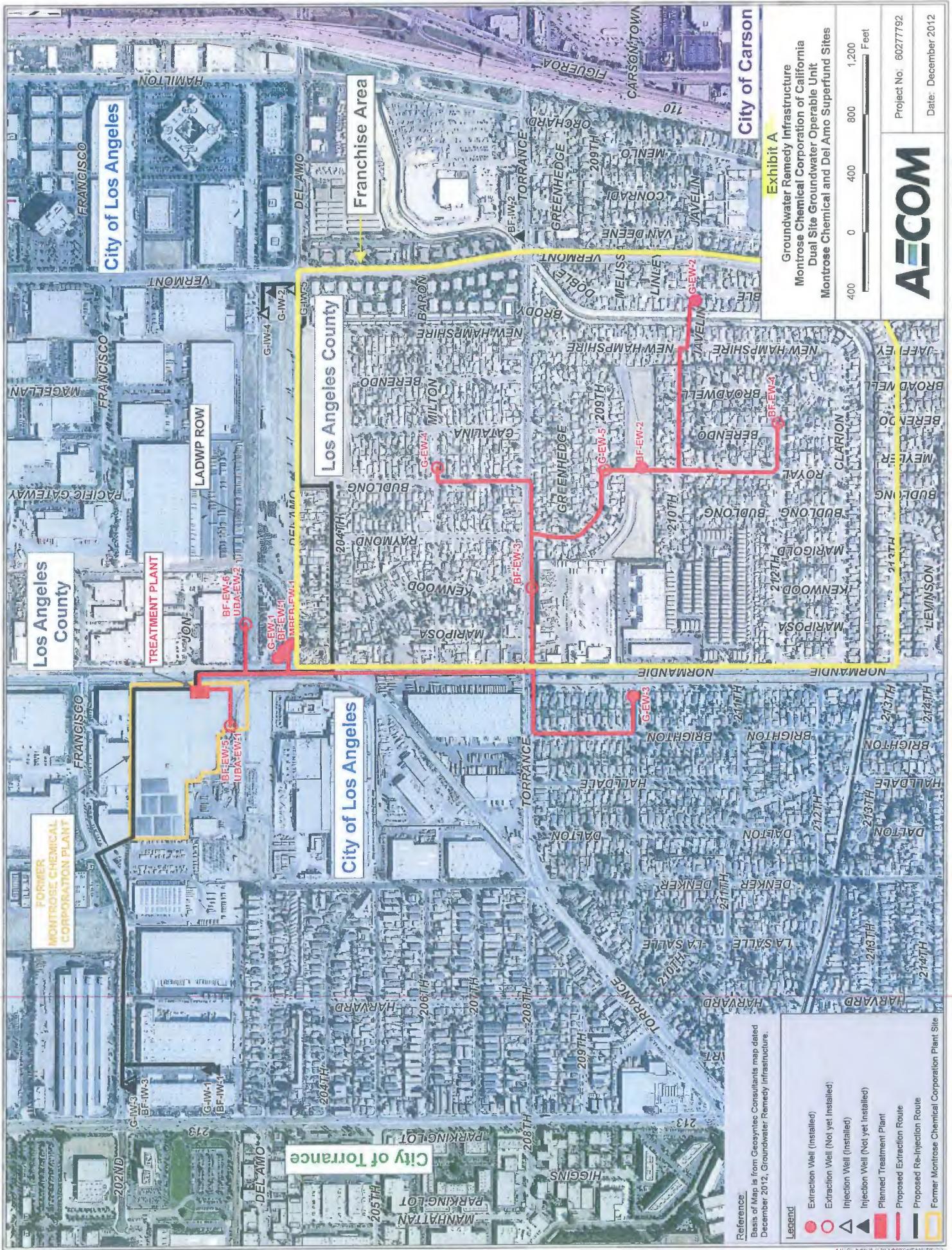
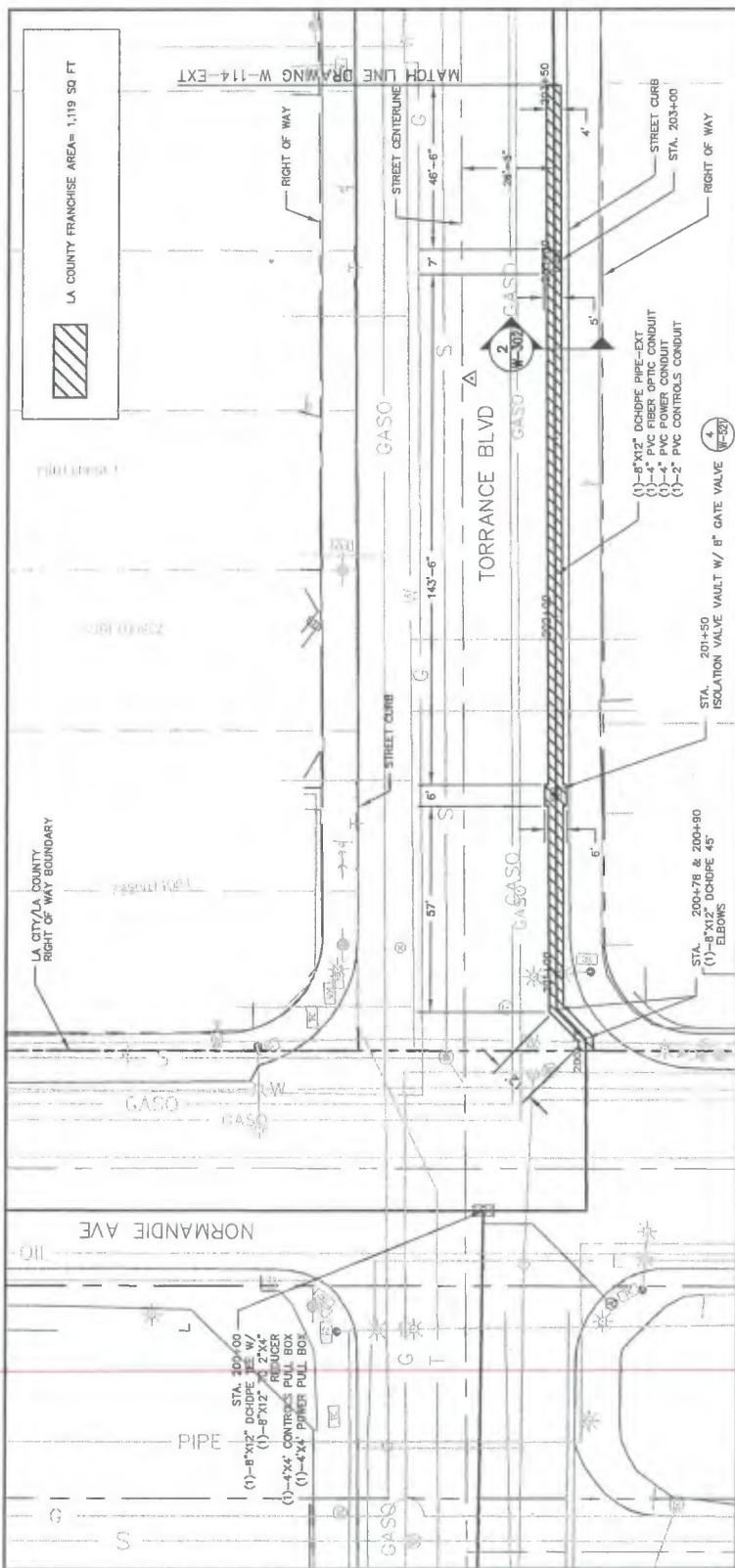


Exhibit A



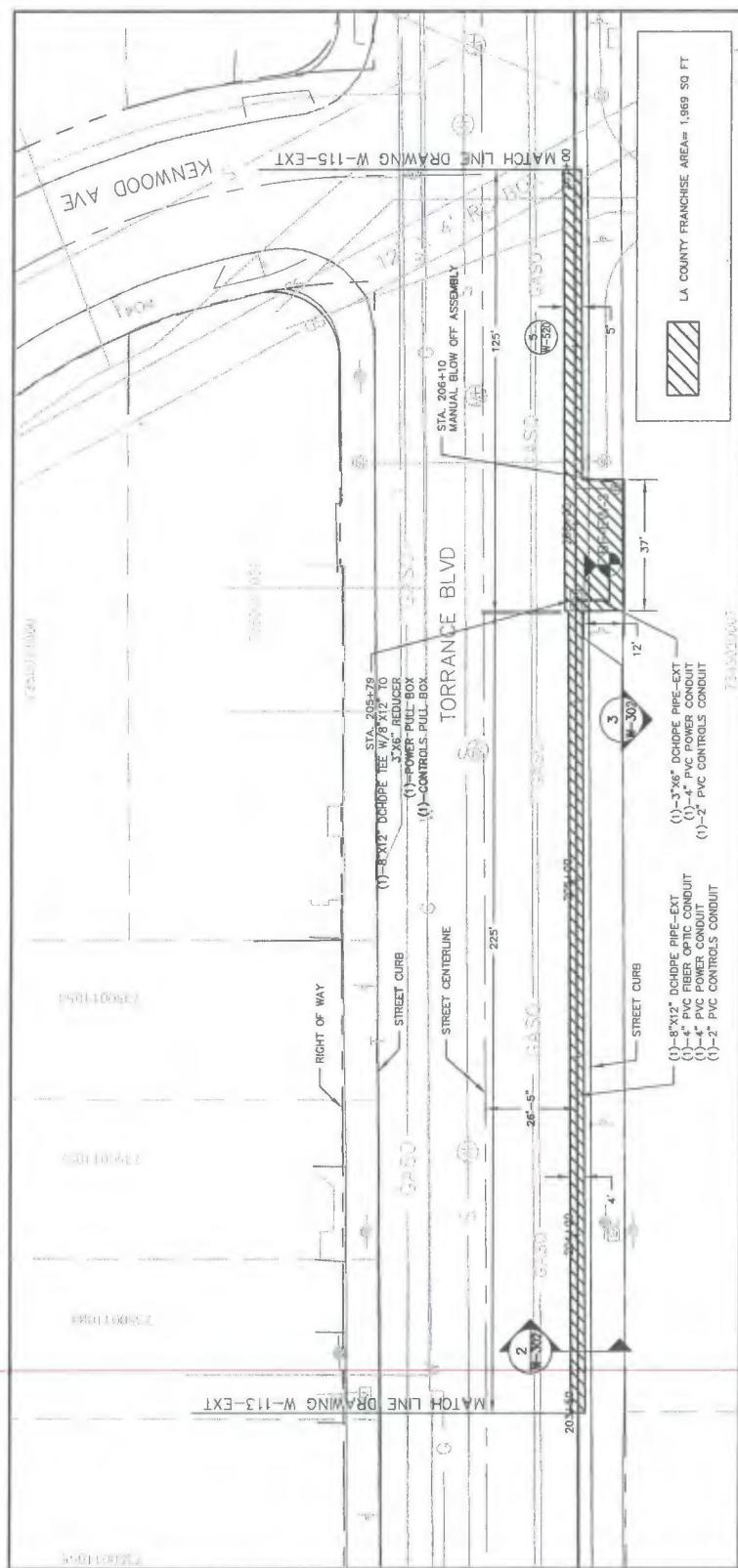
AECOM

3995 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 866-420-2933

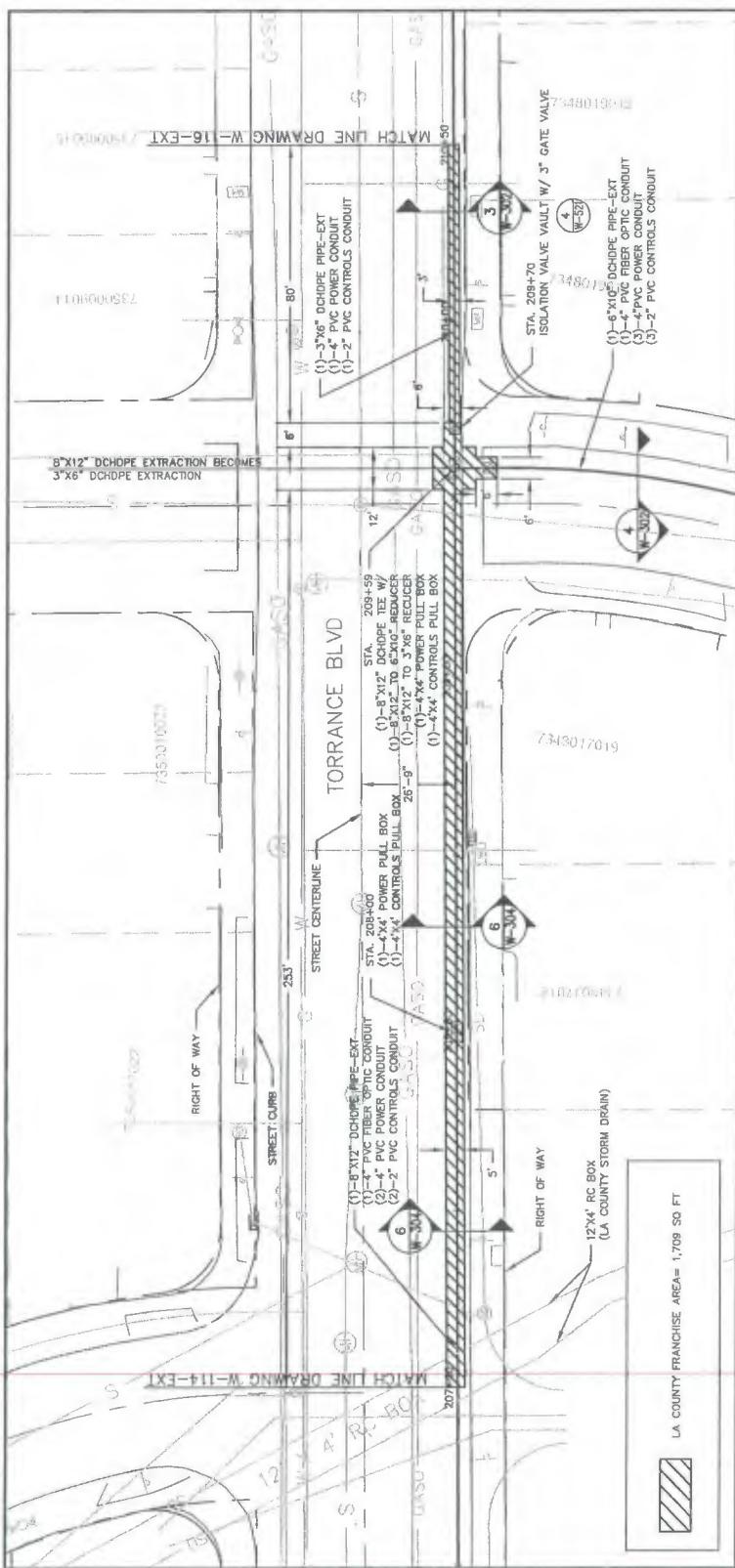
EXTRACTION PIPING PLAN
PROJECT: MONROSE CHEMICAL CORPORATION OF CALIFORNIA
SITE: DUAL SITE GROUNDWATER OPERABLE UNIT
MONROSE CHEMICAL AND DEL AMO SUPERFUND SITES

REV	DATE	DESCRIPTION	DRN	APP

Geosyntec DATE: JULY 12, 2013
DRAWN BY: JJames PROJECT NO.: 60277792
CHECKED BY: BDean FILE: SB0450-W113-EXT_A02.dwg
DRAWING NO.: EXHIBIT NO.: 1 24



W-114-EXT **2** **of** **24**



AECOM

3995 MA ORO AVENUE
LONG BEACH, CALIFORNIA 90810

REV	DATE	DESCRIPTION	DRN	APP

GEOSYNTEC, FINAL EPA APPROVED
REMEDIAl DESIGN DRAWINGS
JUNE 3, 2012

PHONE: 50-4220-2793

**EXTRACTION PIPING PLAN
TORRANCE BLVD. STA. 207+00-210+50
TROSE CHEMICAL CORPORATION OF CALIFORNIA**

**DUAL SITE GROUNDWATER OPERABLE UNIT
MONROE CHEMICAL AND DEL AMO SUPERFUND SITES**

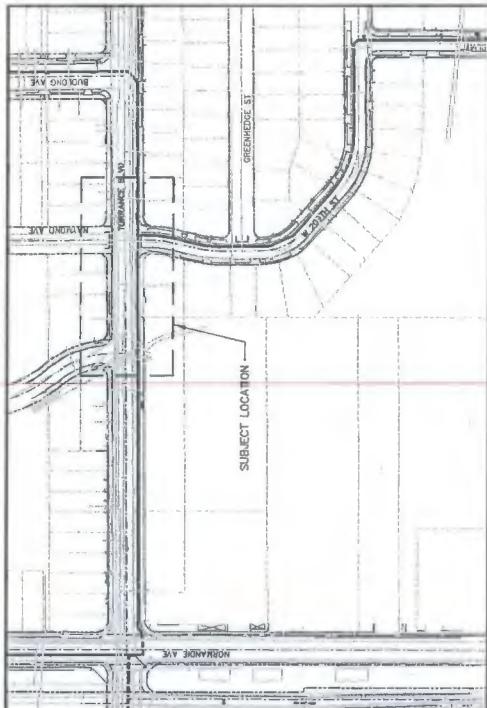
DESIGN BY: Geosyntec DATE: JULY 12, 2013

PROJECT NO.: 60277792

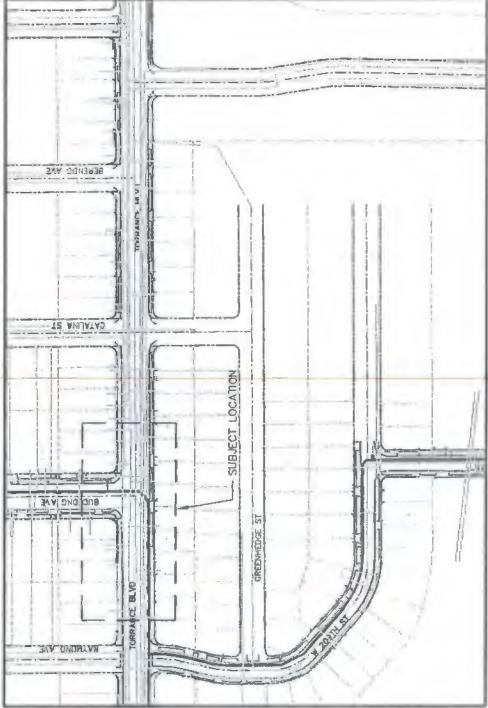
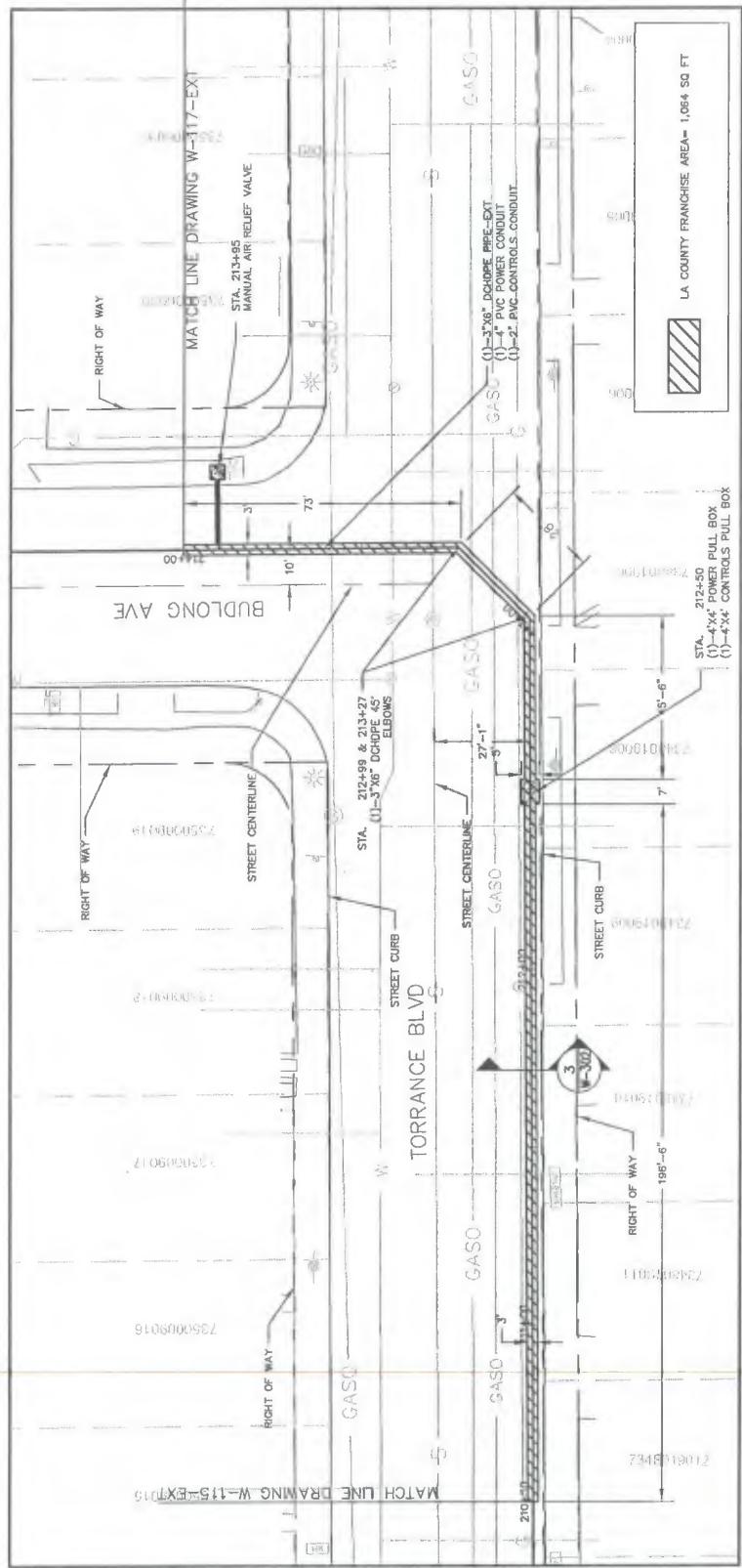
— 200 —

RECORDED BY: BDeon FILE: 580450-WI3-EX-AUZ.bwg
DRAWING NO.: EXHIBIT NO.:

INNEN



Jul 16, 2013 - 11:38am carilloj - W:\work\60288976\GIS\Project\Torrance_Remediation\SB0450-W113-EXT-A02.dwg



REV	DATE	DESCRIPTION	DRRN	APP

REFERENCE: GEOSTATIC, FINAL EPA APPROVED
BENEFICIAL USE DEWAWS.

AECOM

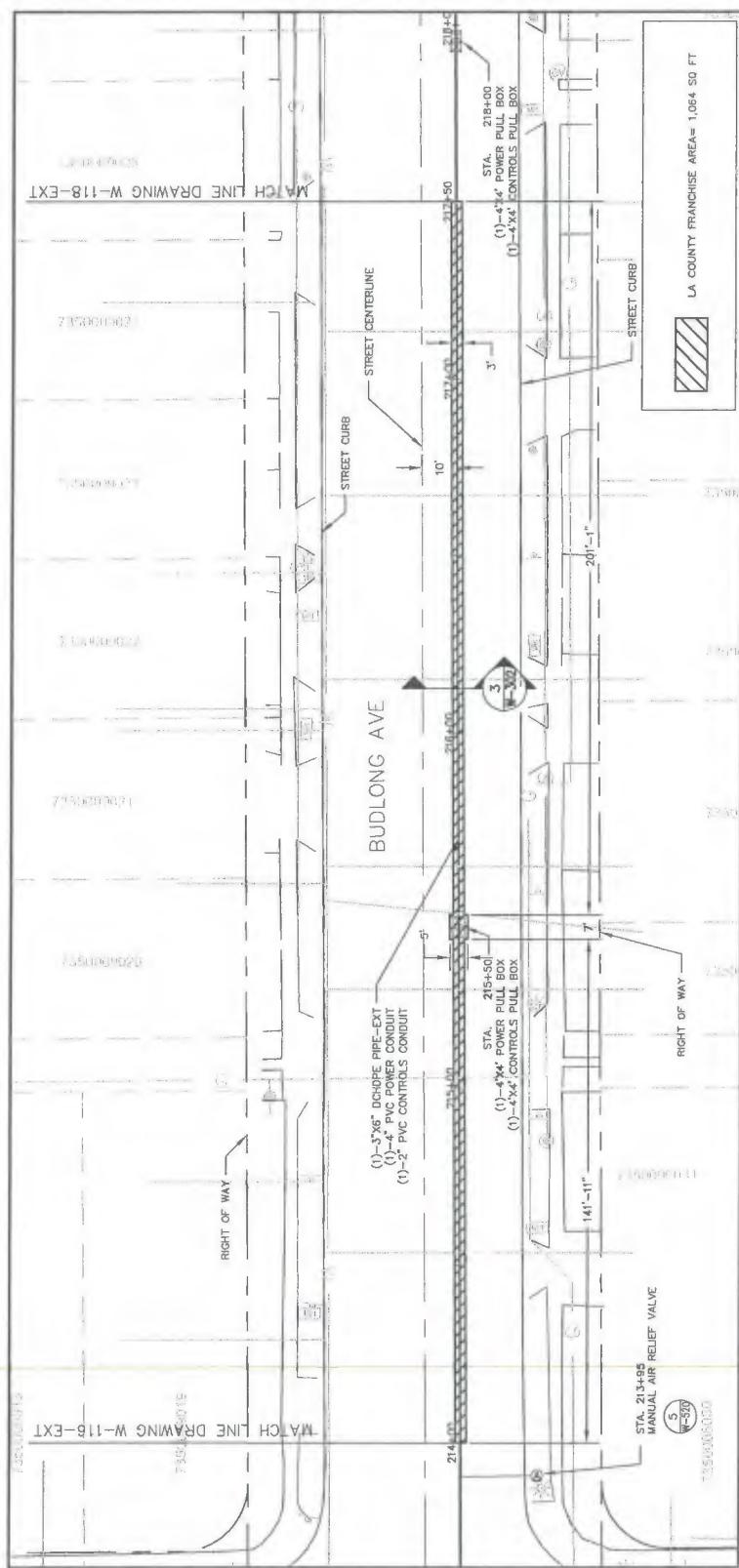
AECOM
3985 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90806

**EXTRACTION PIPING PLAN
TORRANCE BLVD. STA. 210+50–214+00**

MONTRÖSE CHEMICAL CORPORATION OF CALIFORNIA
DUAL SITE GROUNDWATER OPERABLE UNIT

DESIGN BY:	Geosyntec	DATE: JULY 12, 2013
DRAWN BY:	JBarnes	PROJECT NO.: 60277792
CHECKED BY:	BDean	FILE: SBD-050-WM13-EXT-A02.dwg
DRAWING NO.:	EXHIBIT NO.: <u>4</u> OF <u>24</u>	
<u>W-1116-EXT</u>		

INDEX MAP



1-118-EXT

21B+00
STA.
(1) - 1/4" POWER RULL BOX
1/4" PORTABLE RULL BOX

LA COUNTY FRANCHISE AREA= 1,064 SQ FT

卷之三

卷之三

卷之三

AECOM

3995 VIA ORO AVENUE
LONG BEACH, CALIFORNIA
PHONE: 562-420-2222

SECTION PIPING PLAN

CORPORATION OF CALIFORNIA

INDWATER OPERABLE UNIT

DESIGN BY: Geosyntec DATE: JULY

DRAWN BY: J Barnes PROJECT NO: 615-22016

DRAWING NO.: EXHIBIT NO.:

AECOM

3995 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

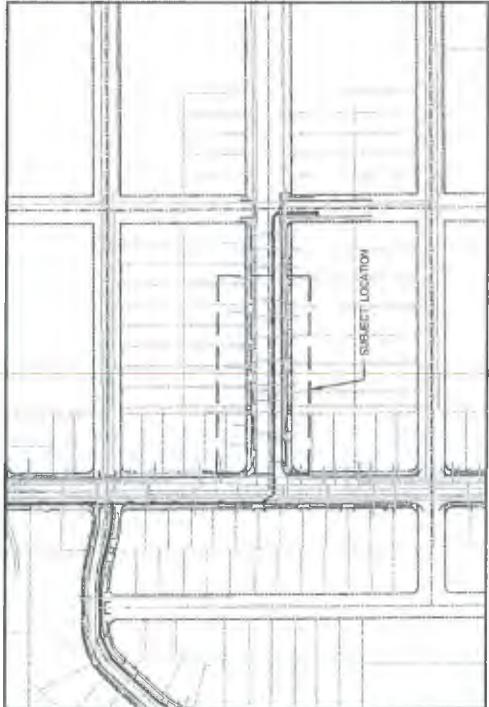
EXTINCTION TRAINING
TORRANCE BLVD. STA. 214+00-217+50

MONTROSE CHEMICAL CORPORATION OF CALIFORNIA

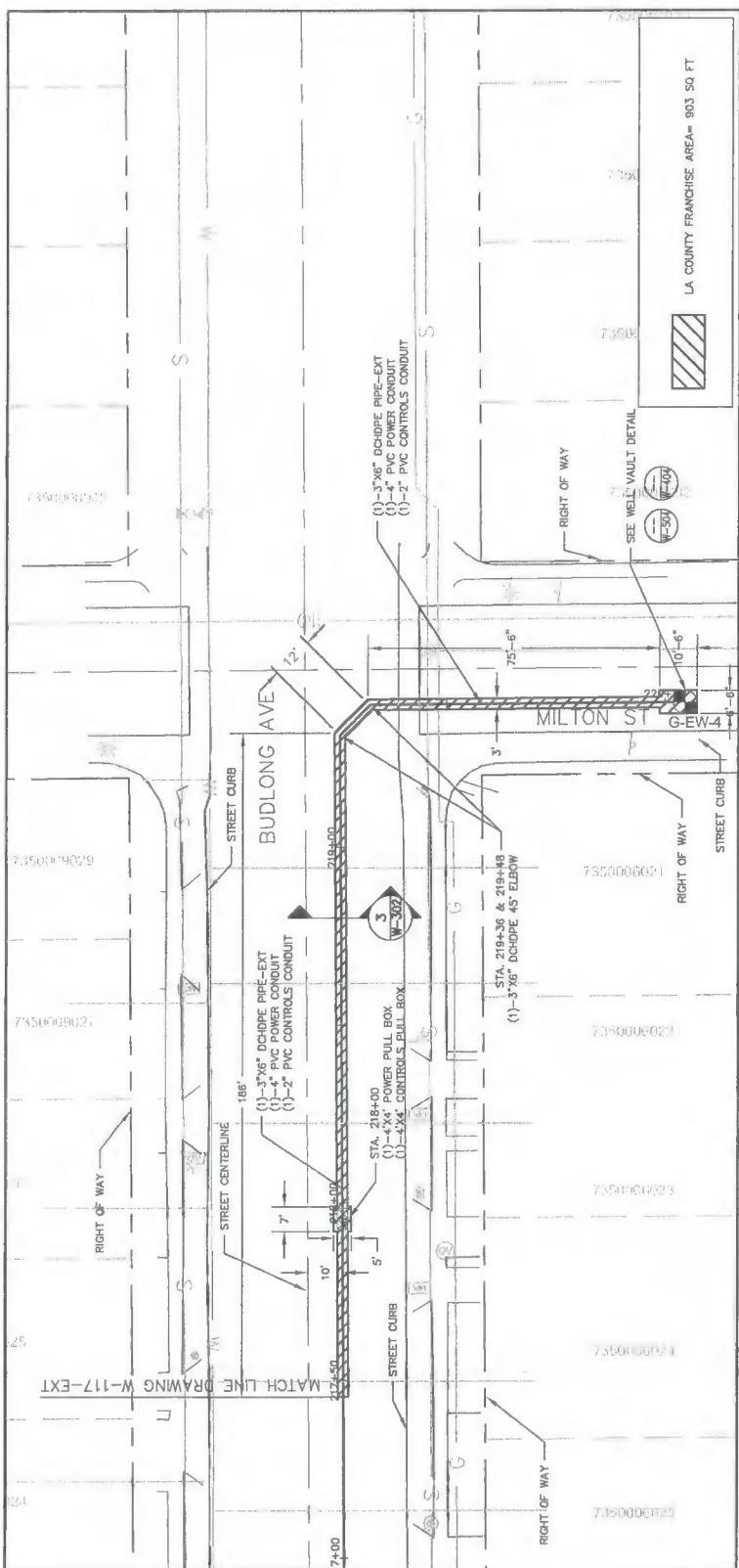
DESIGN BY: Geosyntec DATE: JULY 12.

CHECKED BY: BDean FILE: SB450-WA13

W-117-EXT 5 of



INDEX MAP



AECOM

3995 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

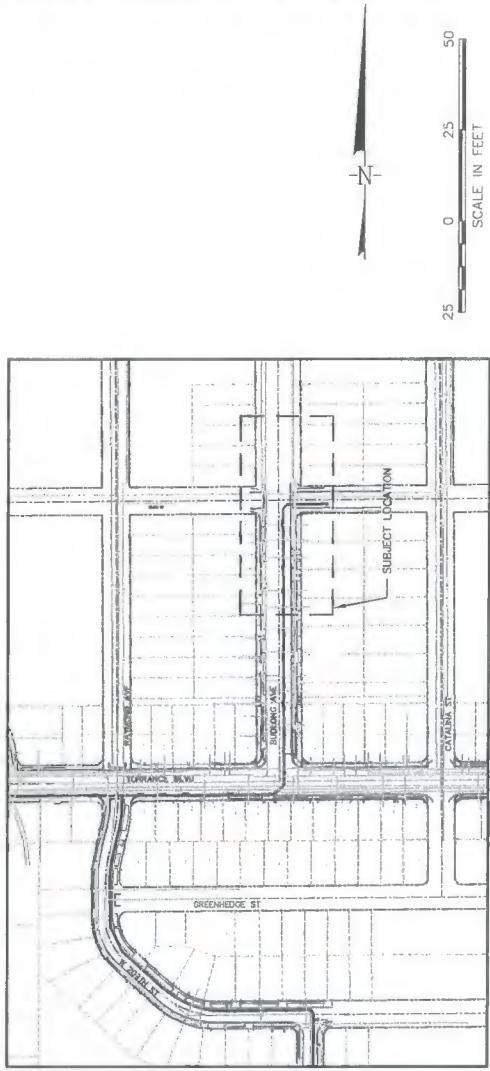
REV	DATE	DESCRIPTION	DRN	APP

REFERENCE: GEOSYNTEC, FINAL EPA APPROVED
REMEDIAl DESIGN DRAWINGS
JUNE 3, 2012

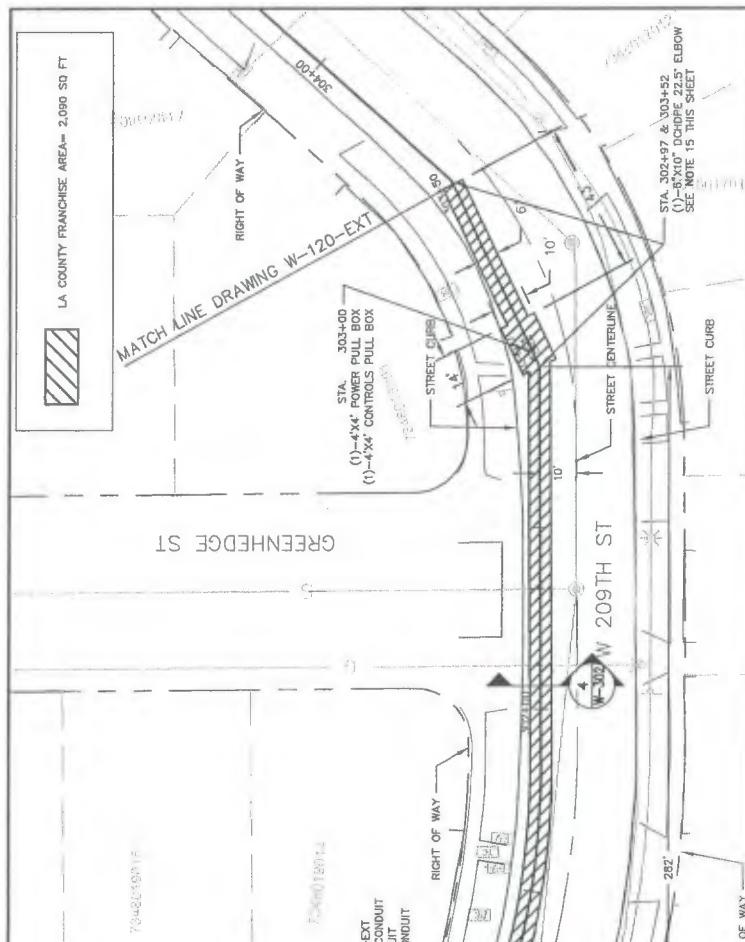
**EXTRACTION PIPING PLAN
TORRANCE BLVD. STA. 217+50-220+34**

MONROSE CHEMICAL CORPORATION OF CALIFORNIA

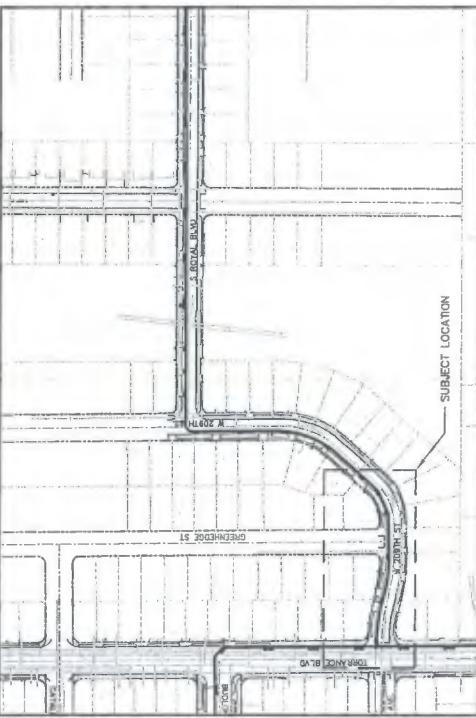
DESIGN BY:	Geosyntec	DATE:	JULY 2, 2013
DRAWN BY:	J.Bornes	PROJECT NO.:	60277792
CHECKED BY:	BDeon	FILE:	SB0450-WT13-EXT_A02.dwg
DRAWING NO.:		EXHIBIT NO.:	
W-118-EXT		6	24



Jul 12, 2013 - 2:40pm carrioli - W:\work\60288976\GIS\Project\Torrance_Remediation\SB0450-W119-EXT-A01.dwg



REV	DATE	DESCRIPTION	DRN	APP



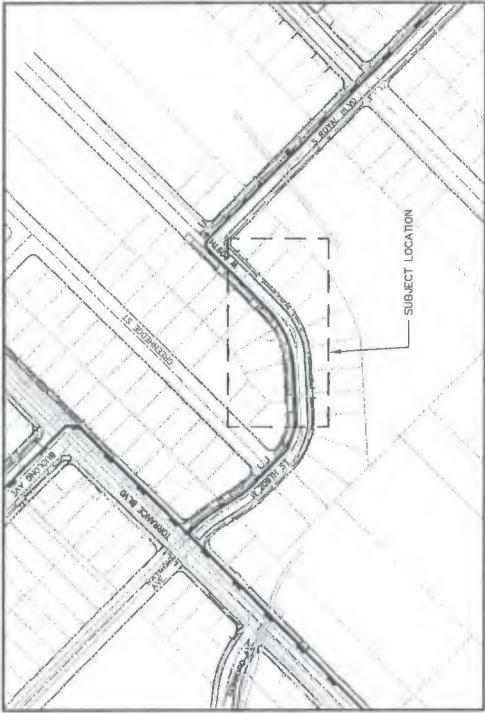
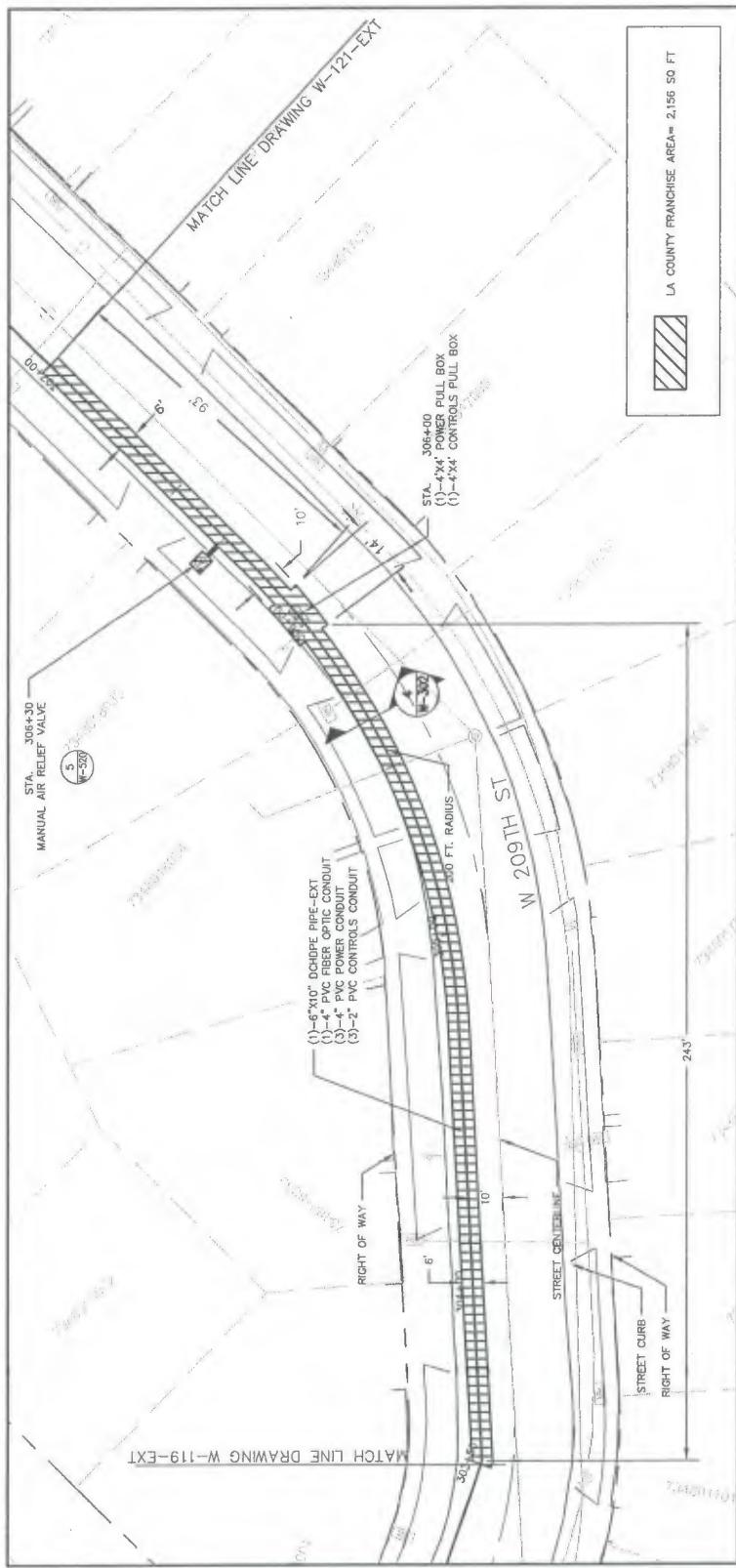
AECOM

EXTRACTION PIPING PLAN
W 209TH ST. STA. 300+11-303+50

MONTROSE CHEMICAL CORPORATION OF CALIFORNIA

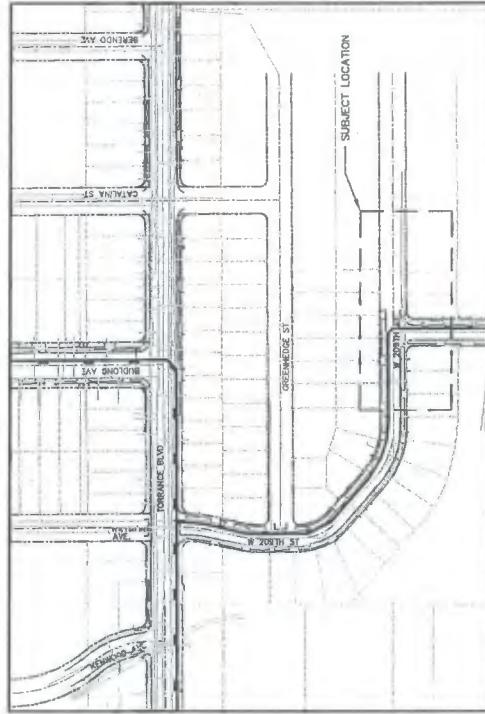
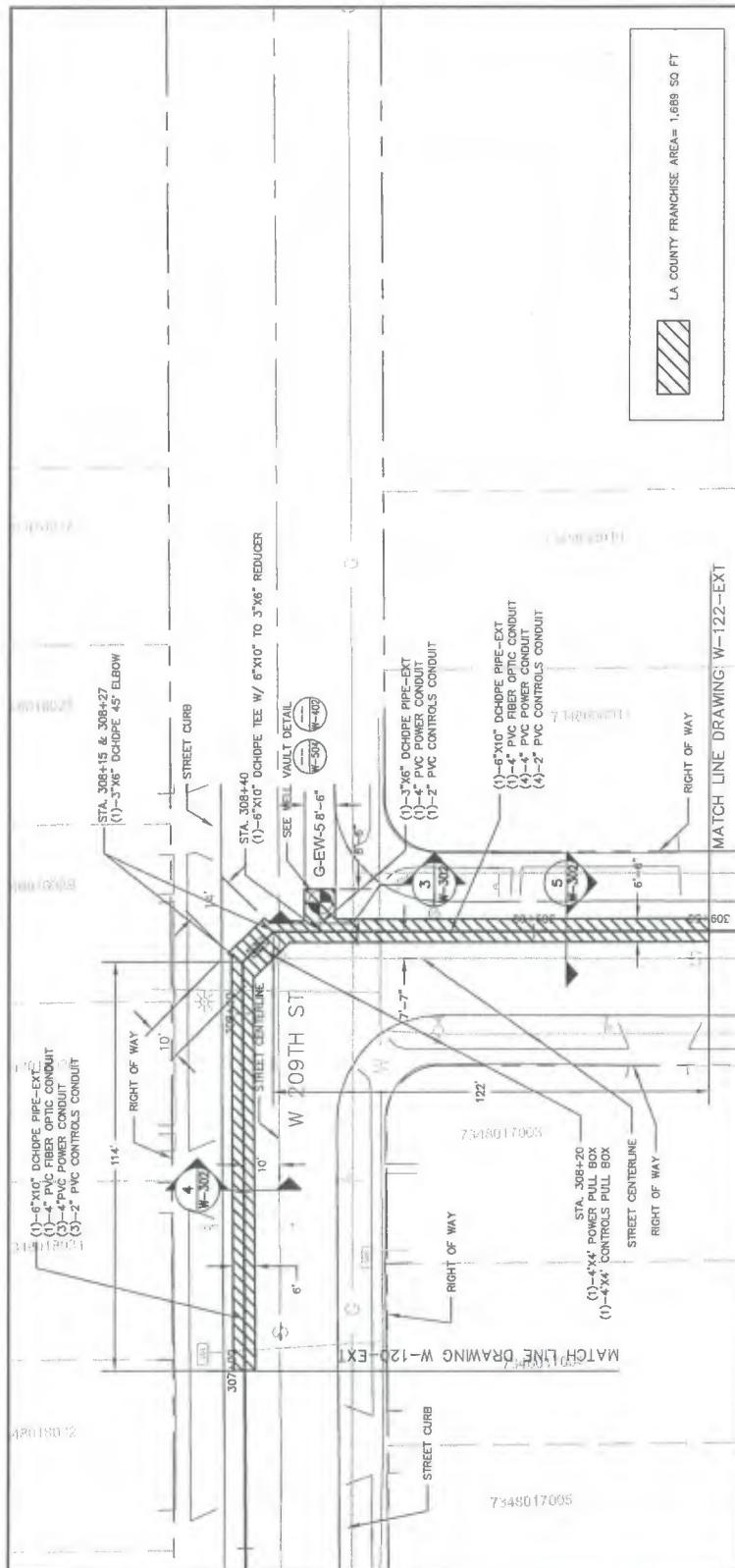
SITE: DUAL SITE GROUNDWATER OPERABLE UNIT MONROE CHEMICAL AND DEL AMO SUPERFUND SITES	
DESIGN BY:	Geosyntec
DRAWN BY:	LBarnes
CHECKED BY:	BDean
DRAWING NO.:	FILE: SBD-0450-W119-EXT_A01.dwg
PROJECT NO.: 60277792	
EXHIBIT NO.: 7 OF 24	

INDEX MAP



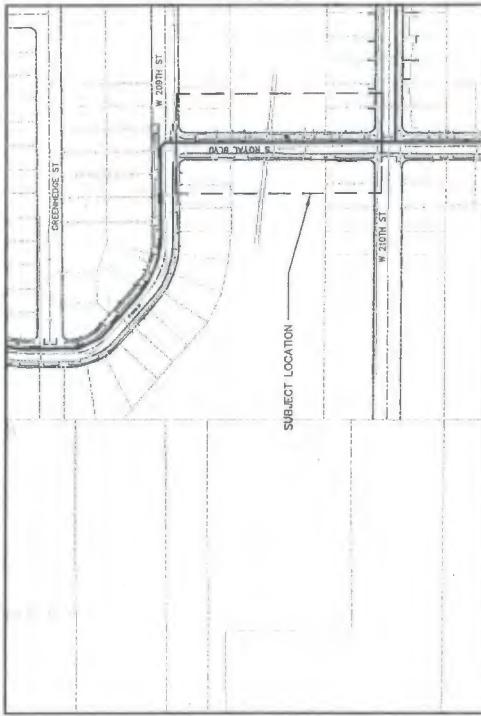
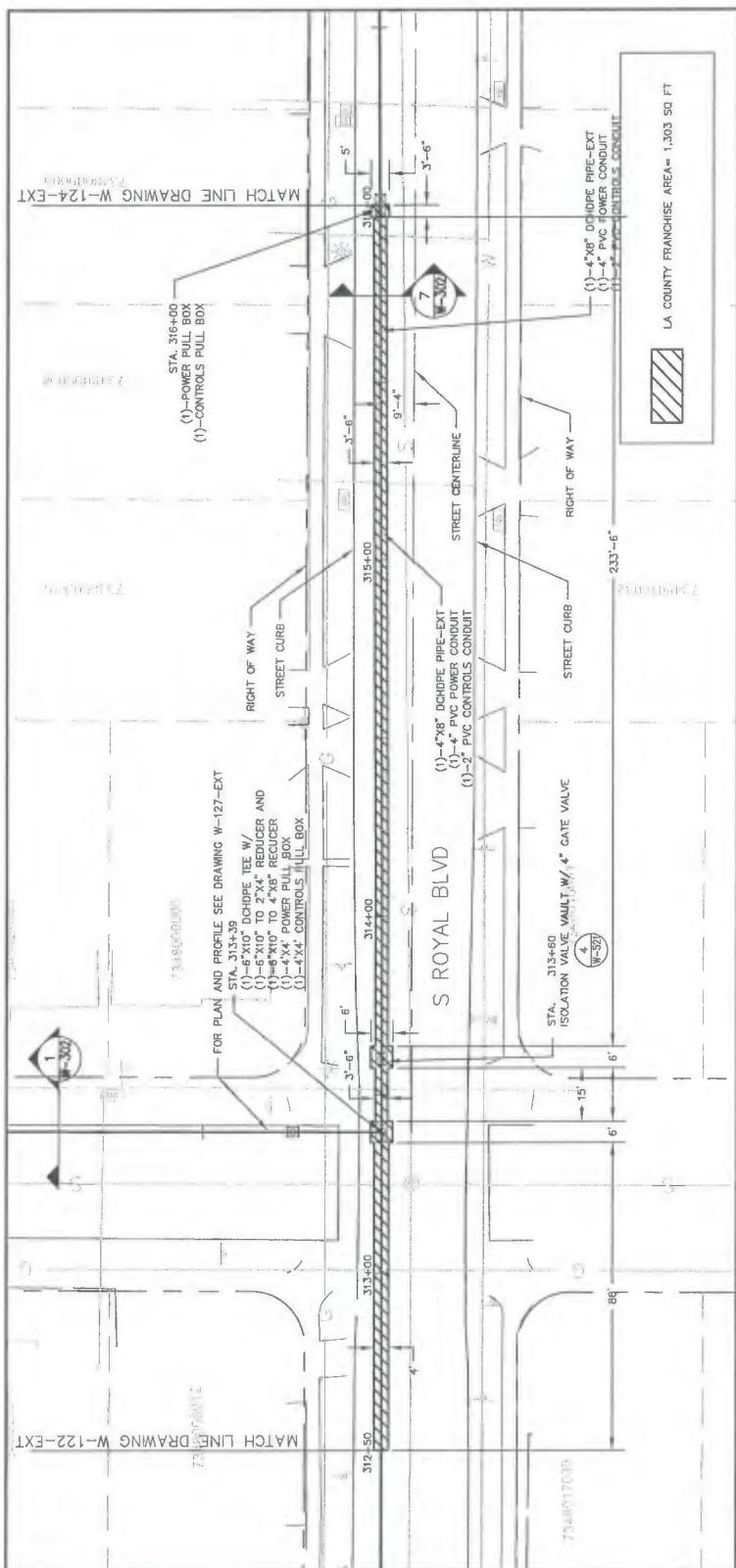
REV	DATE	DESCRIPTION	DRN	A/P/P
REFERENCE:	GEOSYNTEC, FINAL, EPA APPROVED DRAWING DESIGN DRAWINGS 4/30/2012			
PROJECT:	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA			
TITLE:	EXTRACTION PIPING PLAN			
SITE:	W 209TH ST. STA. 303+50-307+00	DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES	DESIGN BY: DRAWN BY: CHECKED BY: DRAFTING NO.: FILE: SBD450-W19-EXT_A01.dwg	Geosyntec DATE: JULY 12, 2013 jBarnes PROJECT NO.: 60277792 BDean EXHIBIT NO.: W-120-EXT_8

INDEX MAP



REF	REV	DATE	DESIGNER	DATE	DESCRIPTION	DRN	APP
REFERENCE:	GEOSYNTEC, FINAL EPA APPROVED REBATEMENT DESIGN DRAWINGS June 3, 2012		3995 VIA ORO AVENUE LONG BEACH, CALIFORNIA 90810 PHONE: 562-420-2833				
PROJECT:							
TITLE:							
SITE:							
EXTRACTION PIPING PLAN							
W 209TH ST. STA. 307+00-309+50							
MONTROSE CHEMICAL CORPORATION OF CALIFORNIA							
DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES							
				DESIGN BY:	Geosyntec	DATE: JULY 12, 2013	
				DRAWN BY:	jBarnes	PROJECT NO.: 60277792	
				CHECKED BY:	BDean	FILE: SR0450-W19-EXT-A01.dwg	
				DRAWING NO.:		EXHIBIT NO.: 9	
W-121-EXT							

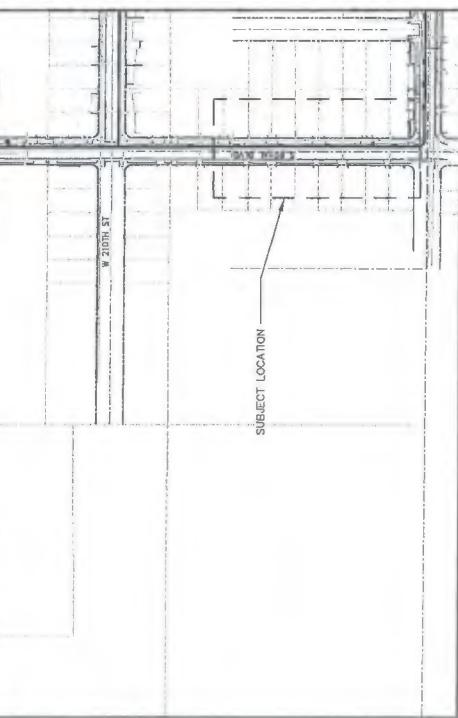
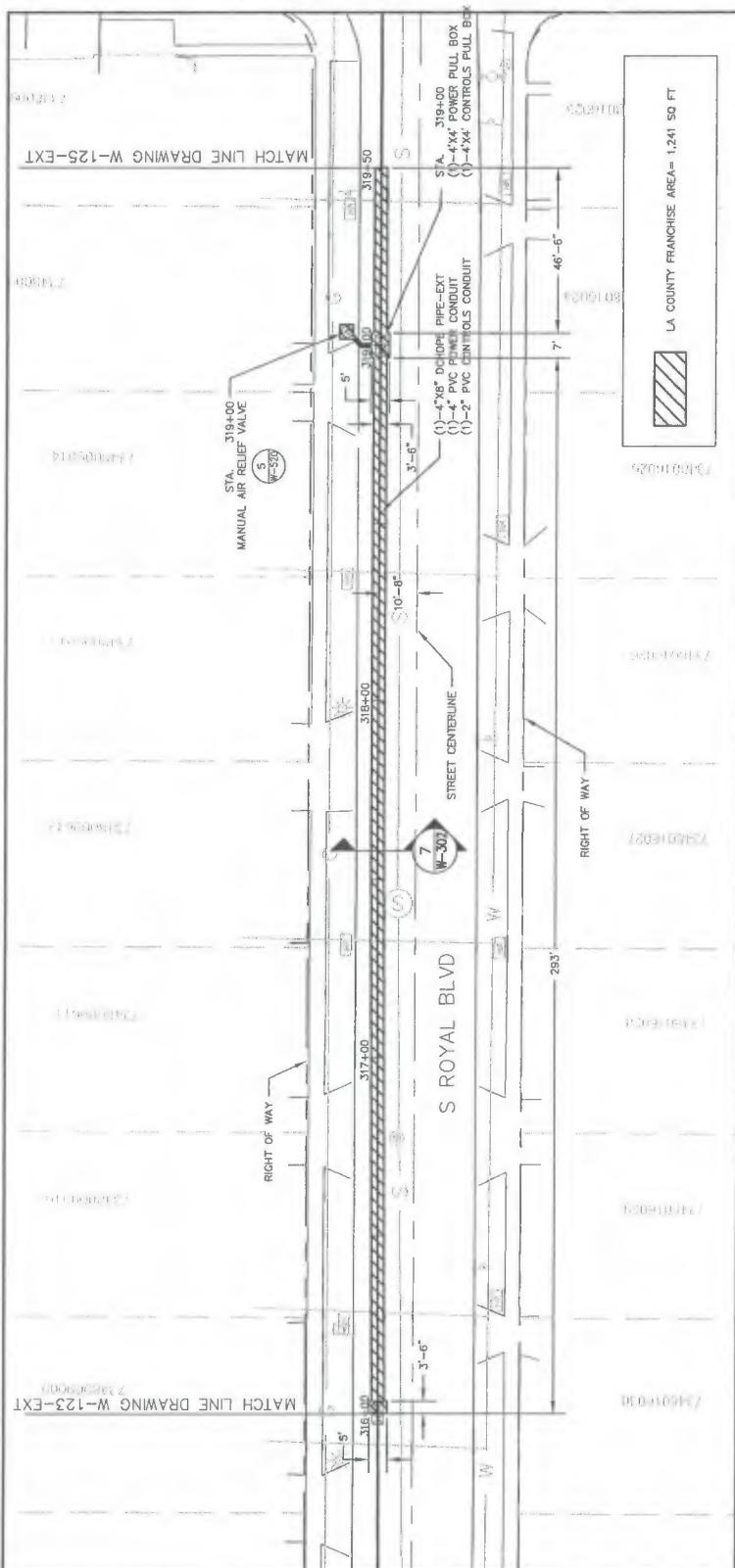
INDEX MAP



INDEX MAP

Rev	Date	Description	DRN	APP
REFERENCE:	GEOSYNTEC, FINAL EPA APPROVED REMEDIATION DRAWINGS JUNE 3, 2012			
TITLE:	EXTRACTION PIPING PLAN AND PROFILE S ROYAL BLVD. STA. 312+50-316+00			
PROJECT:	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA			
SITE:	DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES			
		DESIGN BY: DRAWN BY: CHECKED BY: DRAWING NO.: FILE: #	Geosyntec jBarnes BDeon EXHIBIT NO.: W-1123-EXT	DATE: JULY 12, 2013 PROJECT NO.: 60277792 FILE: SB0450-WT22-EXT_LAO1.dwg

ATCH LINE DRAWING W-124-EXT



REV	DATE	DESCRIPTION	DRN	APP
EXTRACTION PIPING PLAN AND PROFILE				
S ROYAL BLVD. STA. 316+00–319+50				
PROJECT: MONROSE CHEMICAL CORPORATION OF CALIFORNIA				
SITE: MONROSE CHEMICAL AND DEL AMO SUPERFUND SITES				
DESIGN BY: Geosyntec DATE: JULY 12, 2013 DRAWN BY: J.Barnes PROJECT NO.: 60277792 CHECKED BY: BDean FILE: SBD450-W122-EXT-A01.dwg DRAWING NO.: EXHIBIT NO:				
W-124-EXT				

INDEX MAP

SCALE IN FEET

25 0 25 50



A-E COM

3995 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

GEOSYNTEC, FINAL EPA APPROVED
REMEDIAL DESIGN DRAWINGS
JUNE 3, 2012

EXTRACTION PIPING PLAN AND PROFILE

S ROYAL BLVD STA 319+50-321+50

3905 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2333

J. M. DESJARDINS
DRAWINGS

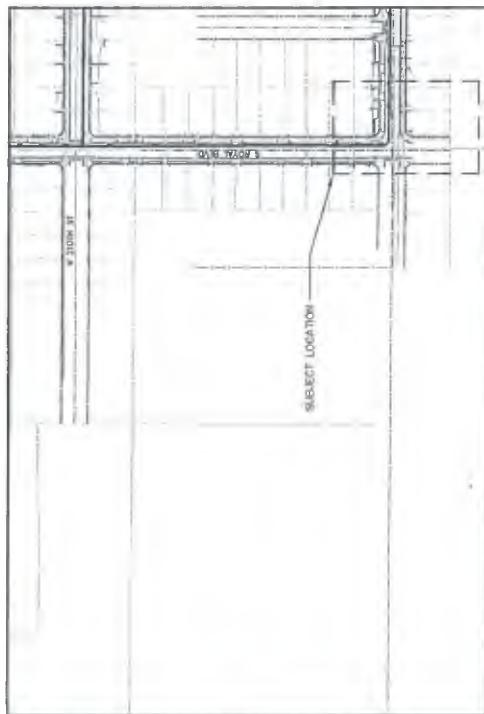
MONROSE CHEMICAL CORPORATION OF CALIFORNIA

**DUAL SITE GROUNDWATER OPERABLE UNIT
CONTROlLED CHEMICAL AND DECONTAMINATION SITES**

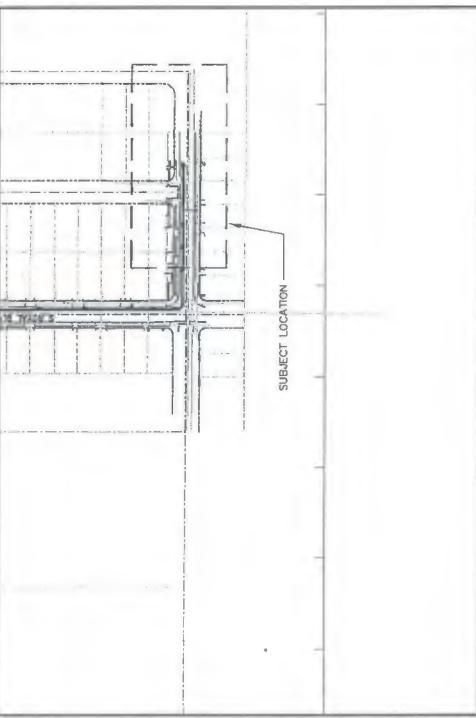
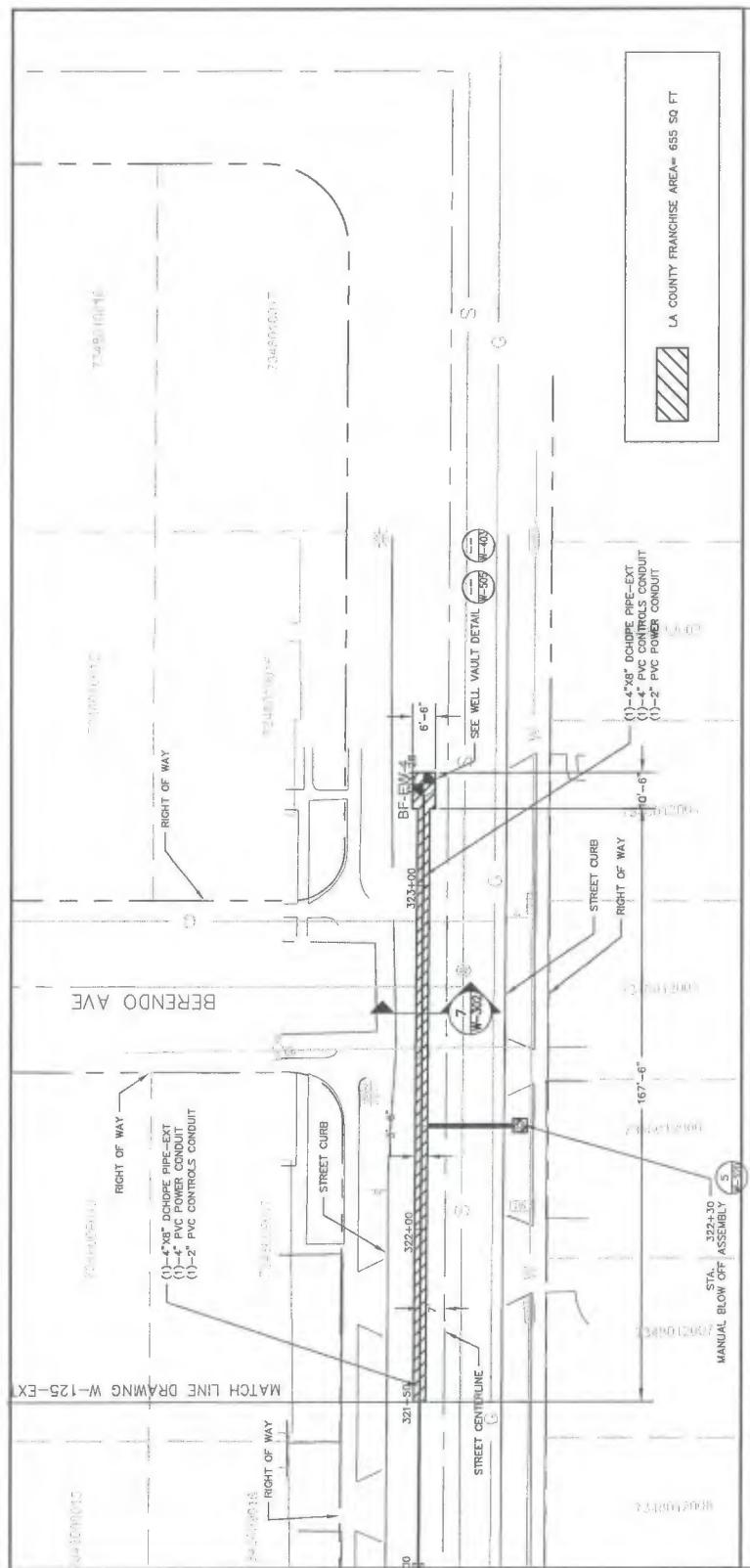
DESIGN BY: Geosyntec DATE: JULY 12, 2013

DRAWN BY: J.Barnes PROJECT NO.: 60277792
DRAWN ON: 07-22-05 FILED: 07-22-05 BY: ANG

FILE: 580450-WI22-EX1-001-009
EXHIBIT NO.:
DRAWING NO.:
CHECKED BY: BDean



INDEX MAP



REV	DATE	DESCRIPTION	DRW	APP

AECOM

3995 W. ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2935

REFERENCE: GEOSYNTEC FINAL EPA APPROVED
REMEDIAL DESIGN DRAWINGS
JUNE 3, 2012

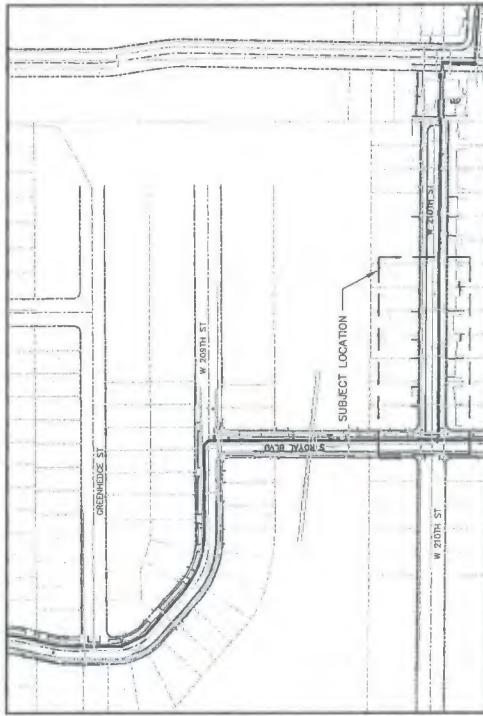
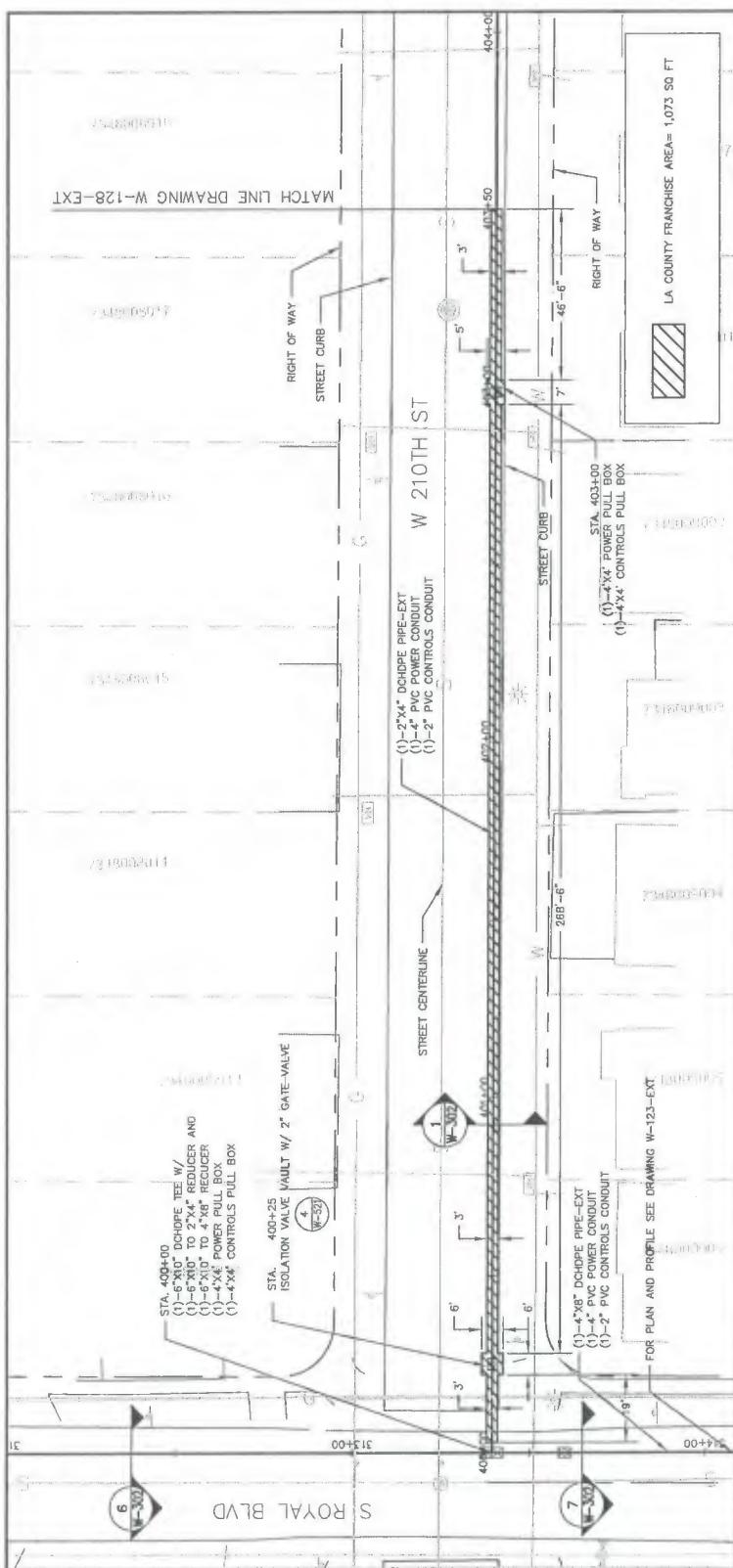
TITLE: EXTRATION PIPING PLAN AND PROFILE
W 212TH ST. STA. 321+50-323+28

PROJECT: MONROSE CHEMICAL CORPORATION OF CALIFORNIA

SITE: DUAL SITE GROUNDWATER OPERABLE UNIT
MONROSE CHEMICAL AND DEL AMO SUPERFUND SITES

DESIGN BY: Geosyntec DATE: JULY 12, 2013
DRAWN BY: JBurnes PROJECT NO.: 60277792
CHECKED BY: BDeem FILE: SB0450-W122-EXT_A01.dwg
DRAWING NO.: EXHIBIT NO.:

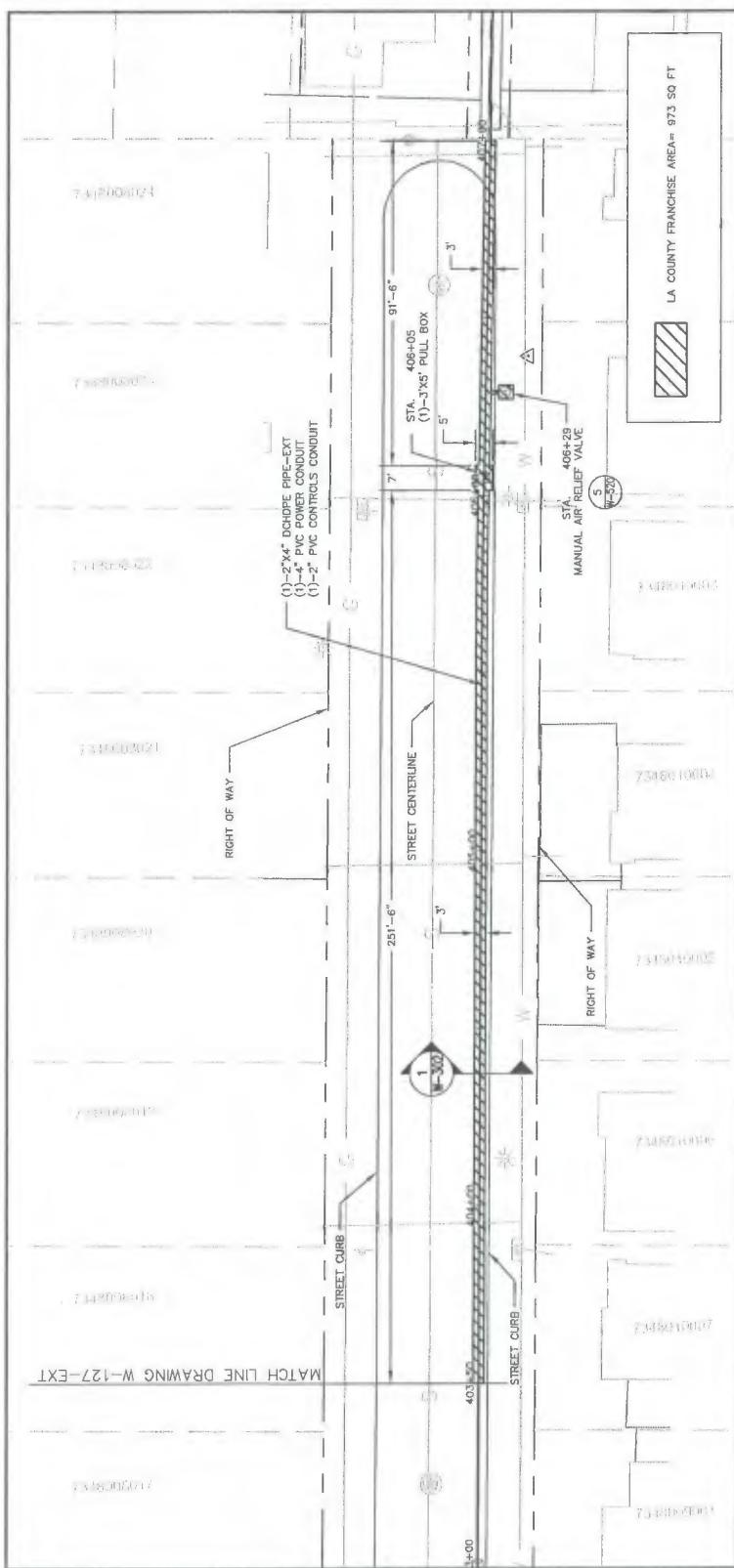
W-126-EXT 14 of 24



INDEX MAP

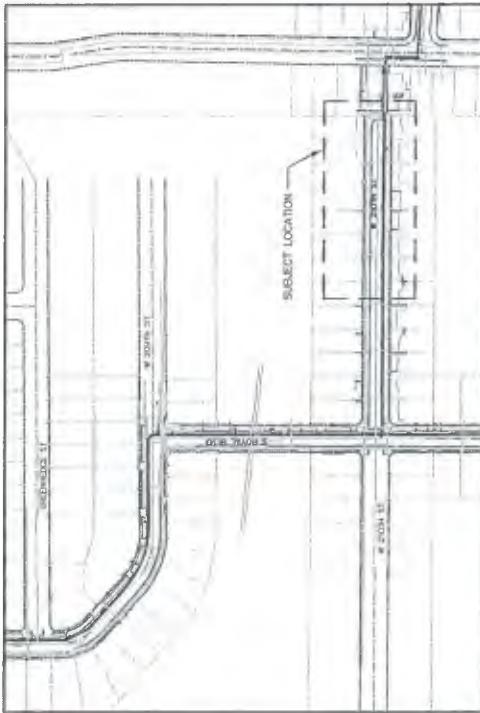
REF	DATE	DESCRIPTION	DRN	APP
REFERENCE:	GEOSYNTEC, FINAL EPA APPROVED REMEDIAl DESIGN DRAWINGS JUNE 3, 2012			
PROJECT:	W 210TH ST. STA. 400+00 - 403+50			
TITLE:	EXTRACTION PIPING PLAN			
SITE:	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA			
	DUAL SITE GROUNDWATER OPERABLE UNIT			
	MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES			
		DESIGN BY: Geosyntec	DATE: JULY 12, 2013	
		DRAWN BY: JBarnes	PROJECT NO.: 60277792	
		CHECKED BY: BDean	FILE#AD-88044-20127-EXT-A01.dwg	
		DRAWING NO.: W-127-EXT	EXHIBIT NO.: 15	

CHECKED BY: EBagn DATE ISSUED - SEB0450-W 27-EXT-A01.dwg



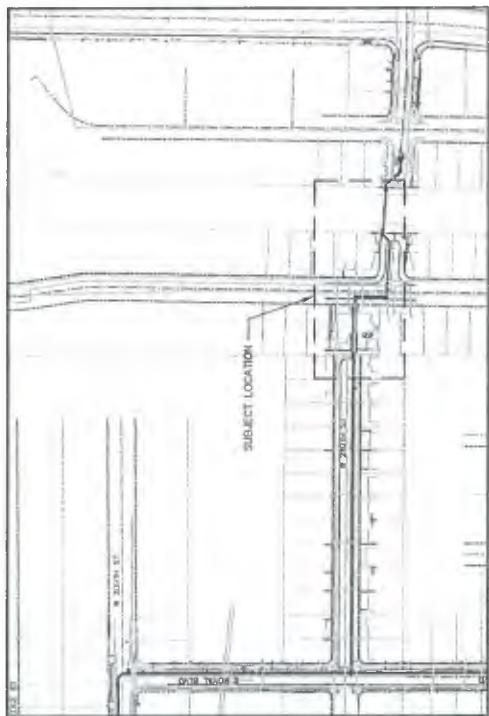
ATCH LINE DRAWING W-127-EXT

REV	DATE	DESCRIPTION	DRIN	APP
REFERENCE:	GEOSPATIAL, FINAL EPA APPROVED REVISIONAL DESIGN DRAWINGS June 3, 2012			
PROJECT:	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA			
SITE:	DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES			
TITLE:	EXTRACTION PIPING PLAN W 210TH ST. STA. 403+50-407+00			
		DESIGN BY: Geosyntec	DATE: JULY 12, 2013	
		DRAWN BY: jBorres	PROJECT NO.: 60277792	
		CHECKED BY: BDem	FILE#AD-SB0450-WH22-EXT_A01.dwg	
		DRAWING NO.: W-128-EXT	EXHIBIT NO.:	

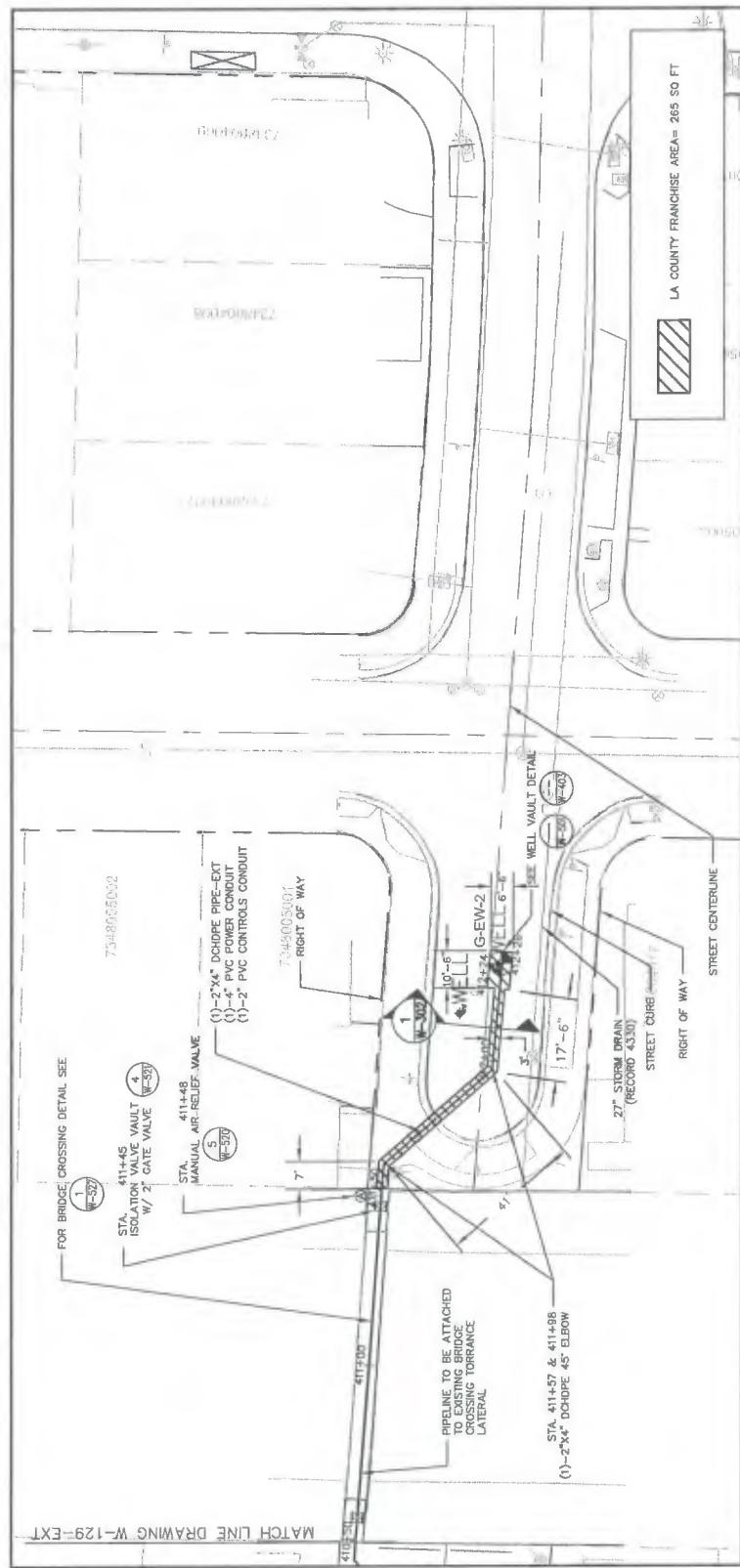


INDEX MAP

W:\work\60288976\GIS\Project\Torrance_Remediation\ACAD-SB0450-W127-EXT-A01.dwg

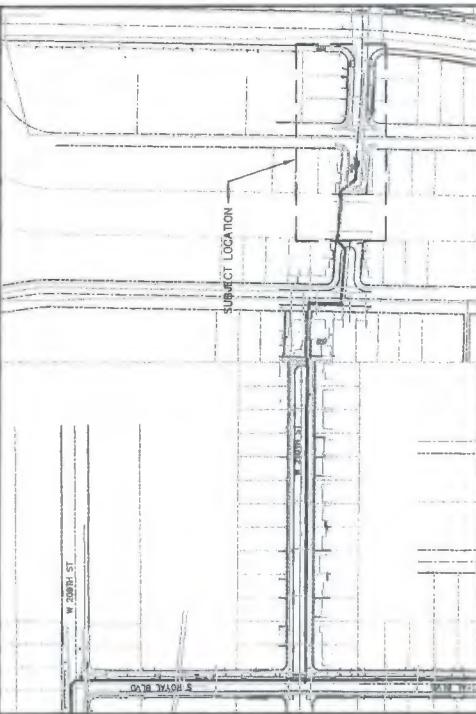


INDEX MAP



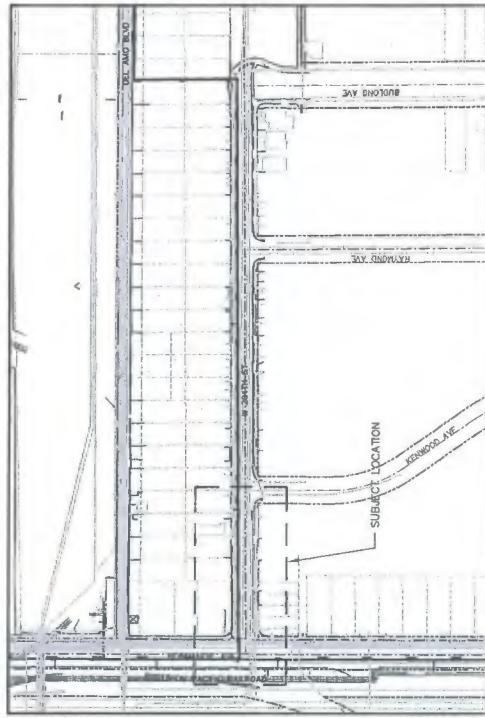
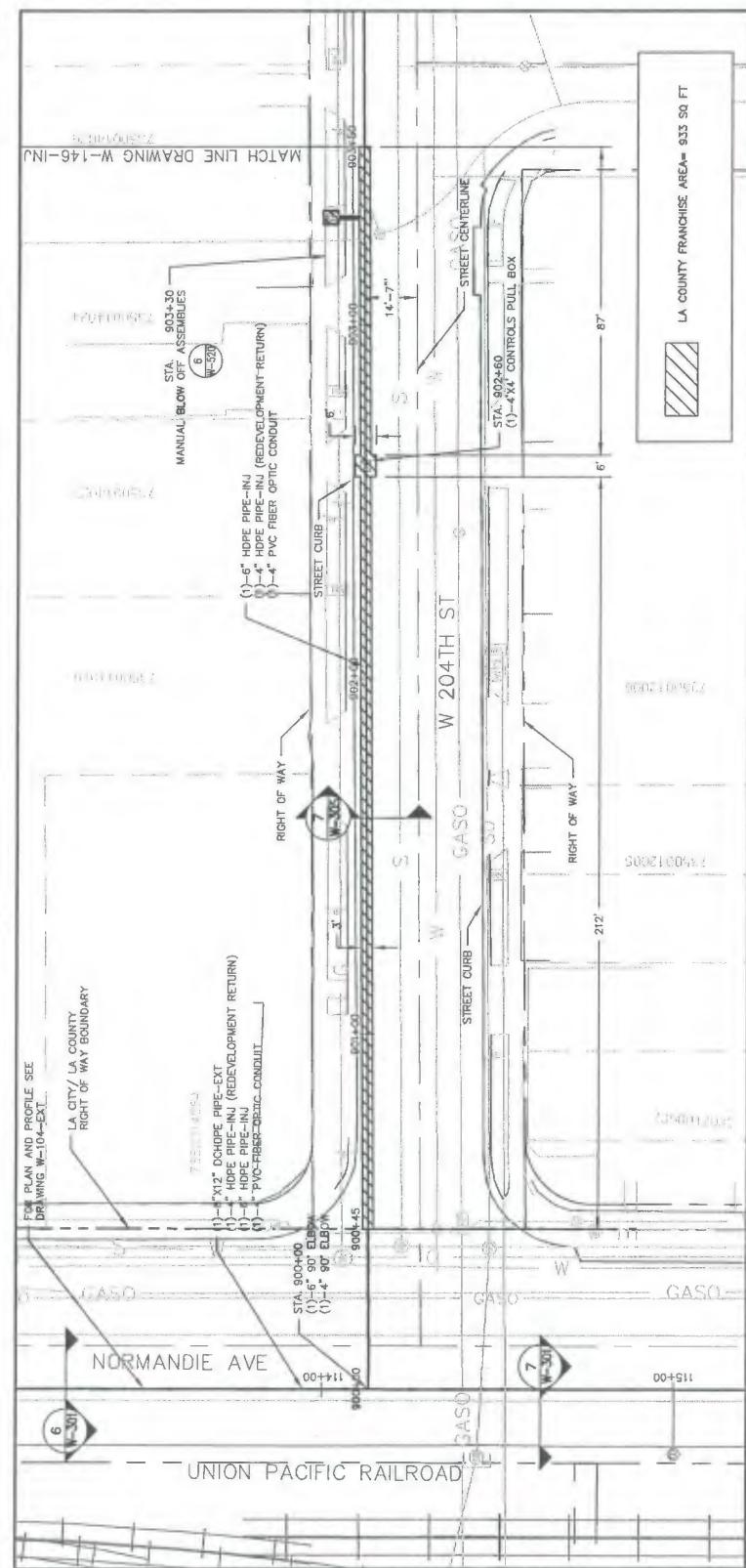
EXTRACTION PIPING PLAN			
JAVELIN ST. STA. 410+50-412+26			
PROJECT: MONTROSE CHEMICAL CORPORATION OF CALIFORNIA			
SITE: MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES			
REV	DATE	DESCRIPTION	DRN APP

LA COUNTY FRANCHISE AREA = 265 SQ FT



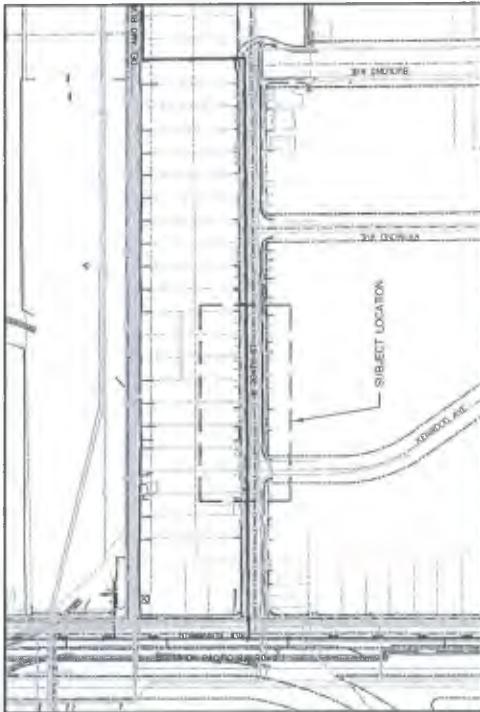
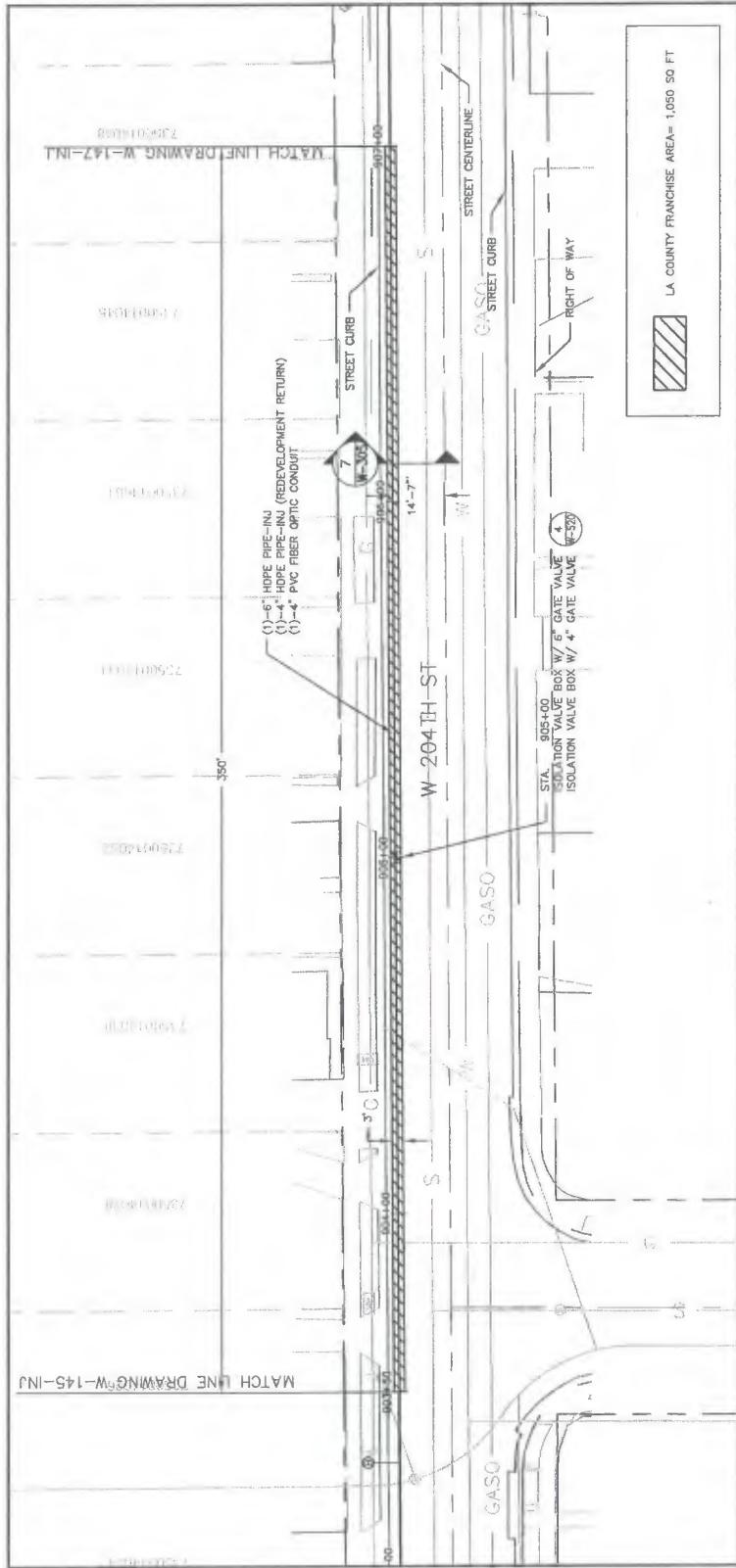
INDEX MAP

W-130-EXT 18 of 24

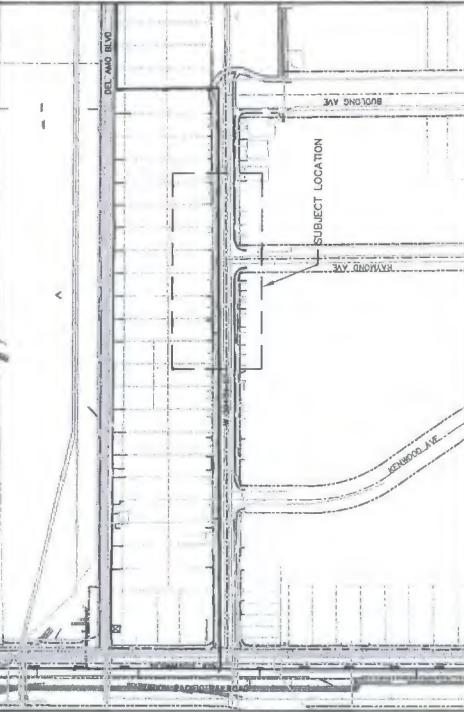
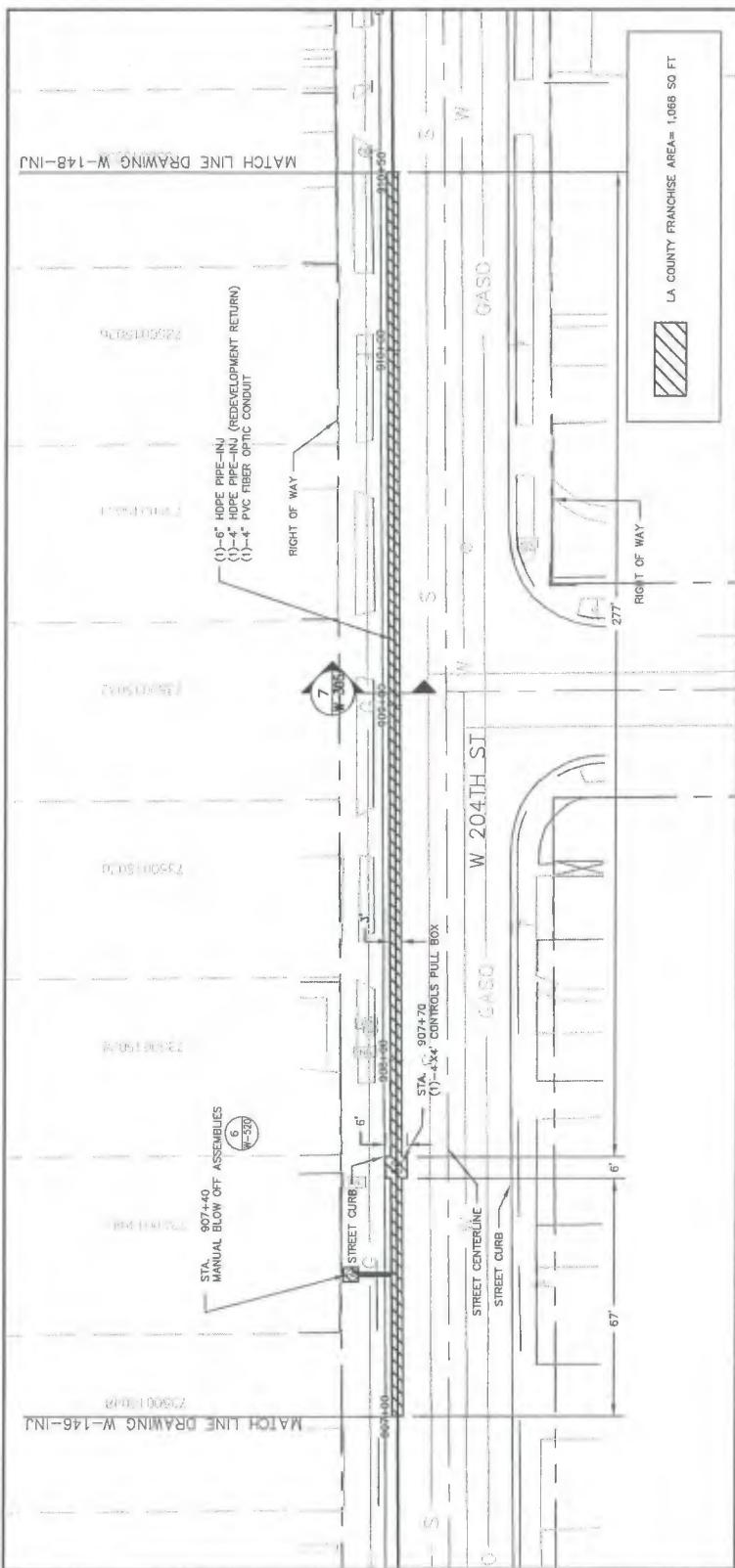


INDEX MAP

REF	REV	DATE	DESCRIPTION	DRN	APP
AECOM					
3955 MA ORO AVENUE LONG BEACH, CALIFORNIA 90810 PHONE: 562-420-2933					
REFERENCE: GEOSYNTEC, FINAL EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012					
PROJECT: MONTROSE CHEMICAL CORPORATION OF CALIFORNIA					
TITLE: INJECTION PIPING PLAN STA. 900+00 - 903+50					
SITE: MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES					
DESIGN BY: Geosyntec DATE: JULY 12, 2013					
DRAWN BY: J.Barnes PRODUCT NO.: 602/77792					
CHECKED BY: BD-ean FILE: SBR050-W145-INJ-A01.dwg					
DRAWING NO.: W-145-INJ EXHIBIT NO.: 19 OF 24					



INDEX MAP



REV	DATE	DESCRIPTION	DRW	APP

AECOM

3985 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90801
PHONE: 562-420-2933

TITLE: INJECTION PIPING PLAN AND PROFILE
STA. 907+00 – 910+50

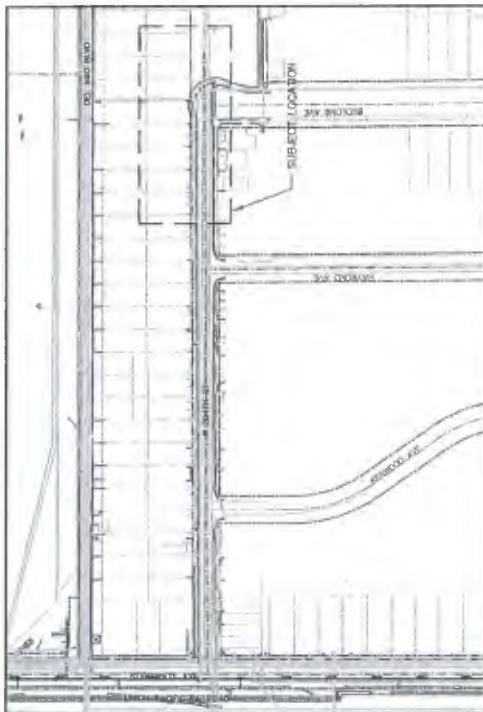
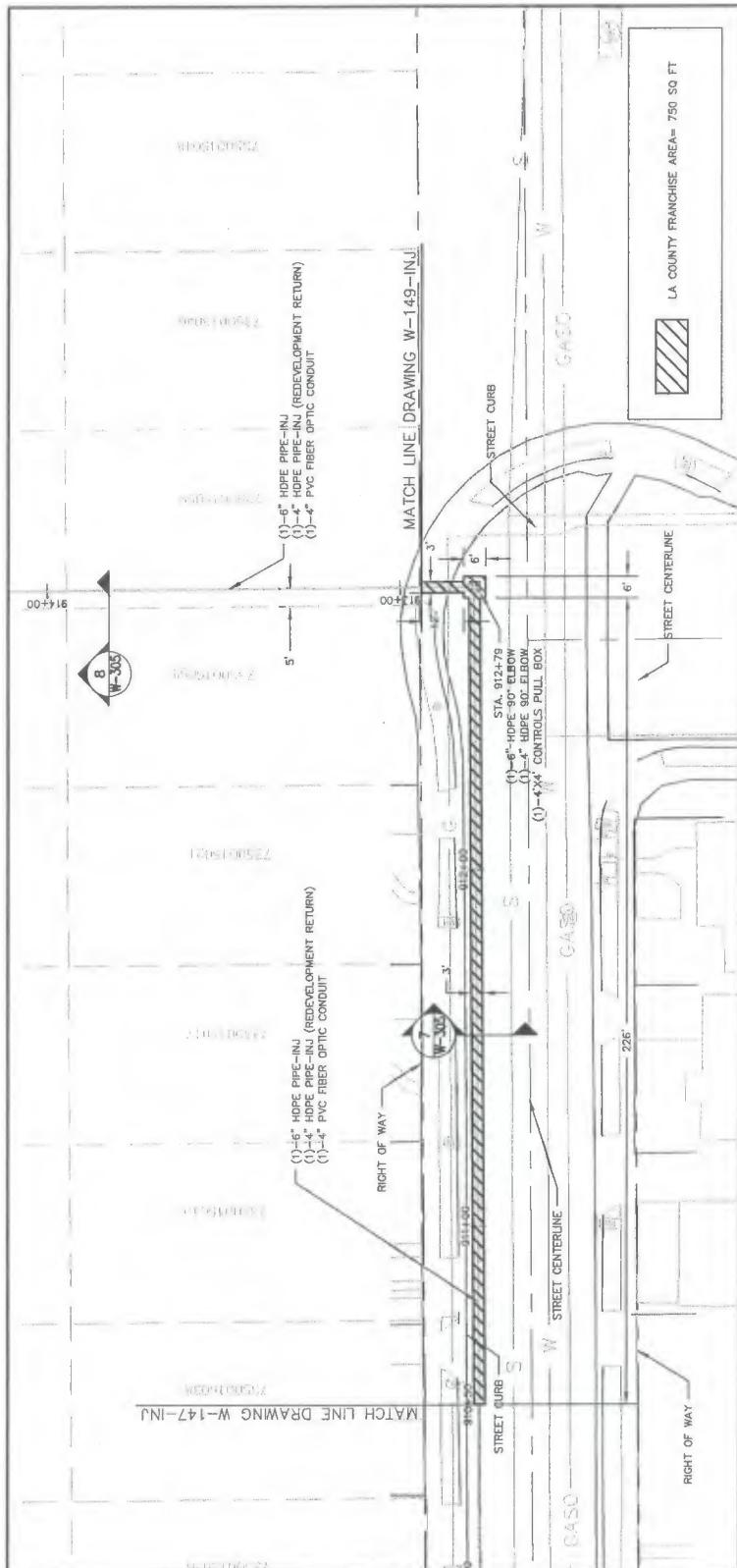
PROJECT: MONROSE CHEMICAL CORPORATION OF CALIFORNIA

SITE: MONROSE CHEMICAL AND DEL AMO SUPERFUND SITES

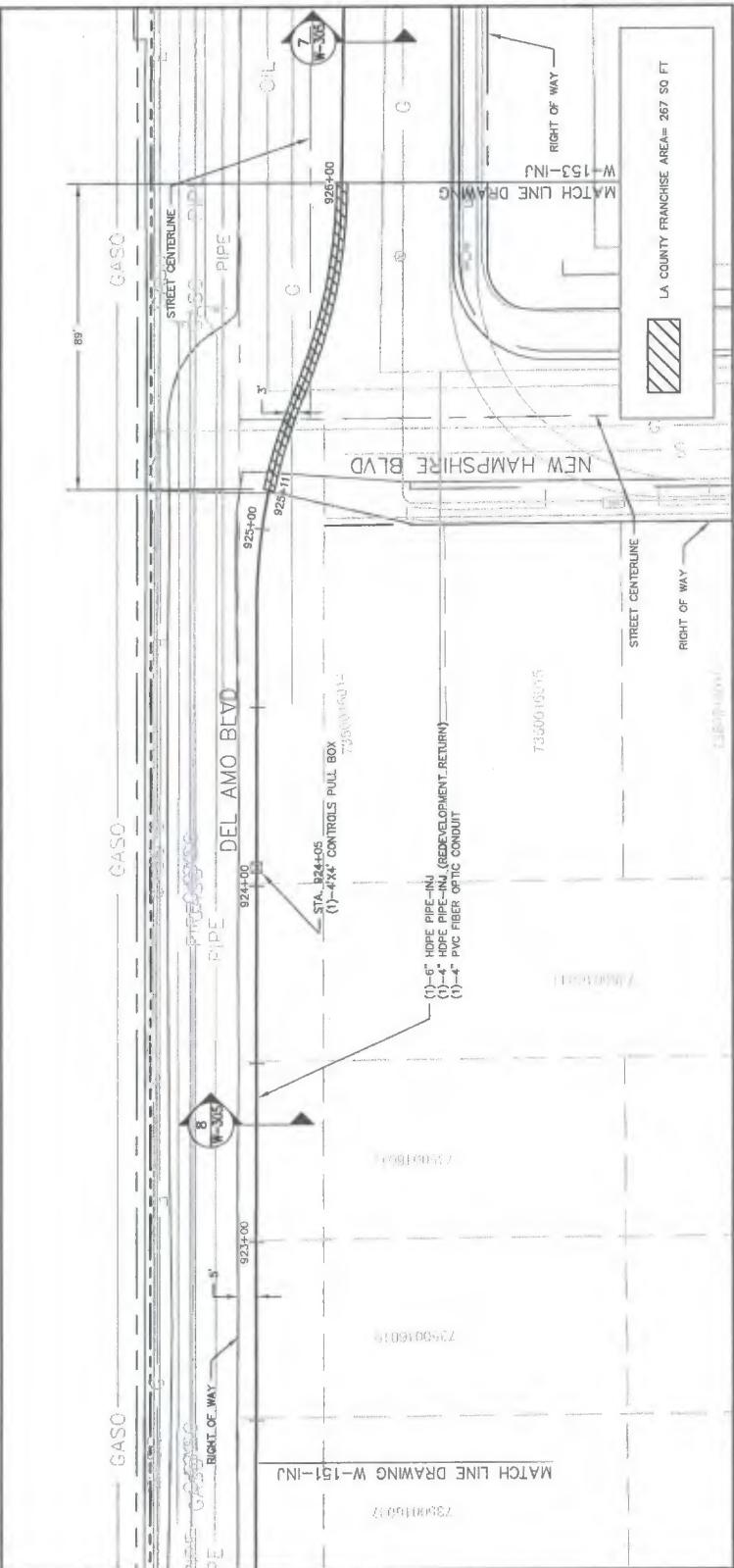
REFERENCE: GEOSYNTEC FINAL EPA APPROVED
RENDZITE DESIGN DRAWINGS
JUNE 3, 2012

INDEX MAP

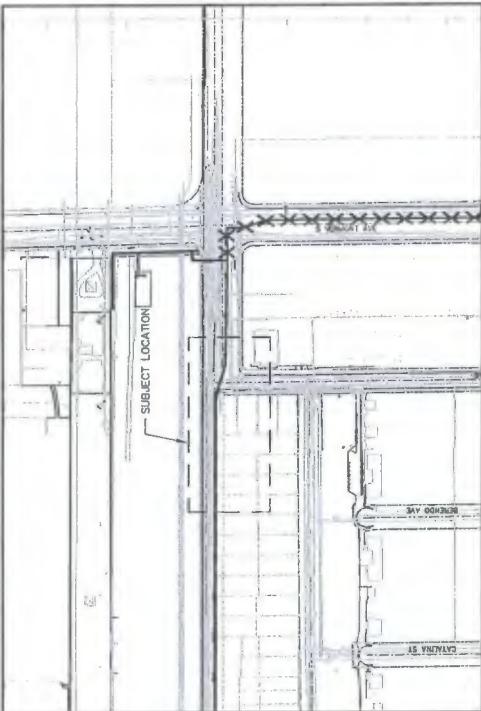
W-147-INJ 21 of 24



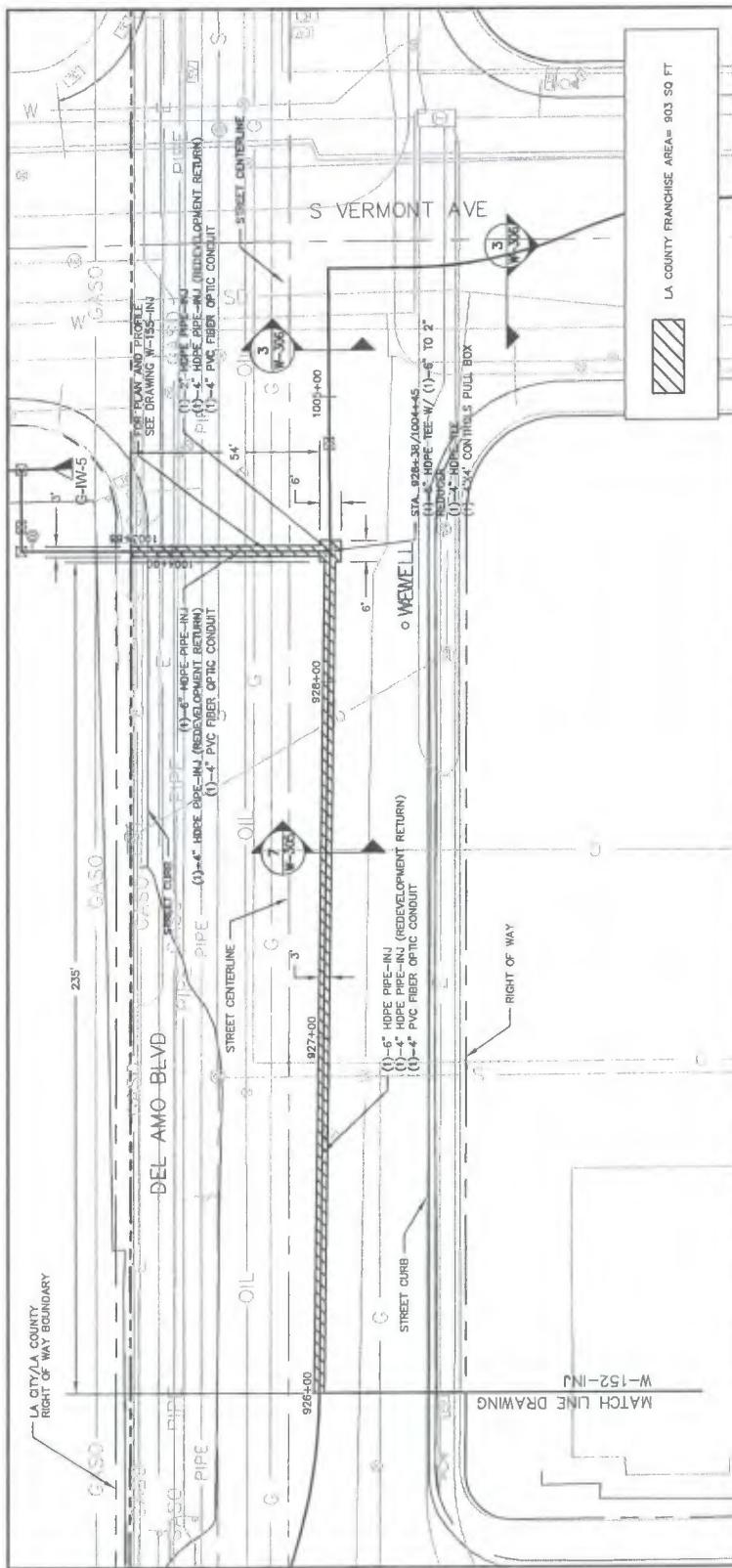
REV	DATE	DESCRIPTION	DRN	APP
REFERENCE: GEOSYNTEC, FINAL EPA APPROVED REMEDIATION DESIGN DRAWINGS JUNE 3, 2012				
TITLE: PROJECT: MONTROSE CHEMICAL CORPORATION OF CALIFORNIA				
SITE: MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES				
INJECTION PIPING PLAN STA. 910+50 - 912+94				
		DESIGN BY:	Geosyntec	DATE: JULY 12, 2013
		DRAWN BY:	vBarnes	PROJECT NO.: 60277792
		CHECKED BY:	BDeon	FILE: SBD050-WH45-INJ_A01.dwg
		DRAWING NO.:	EXHIBIT NO.: <u>W-1148-INJ</u> <u>22</u> <u>OF</u> <u>24</u>	



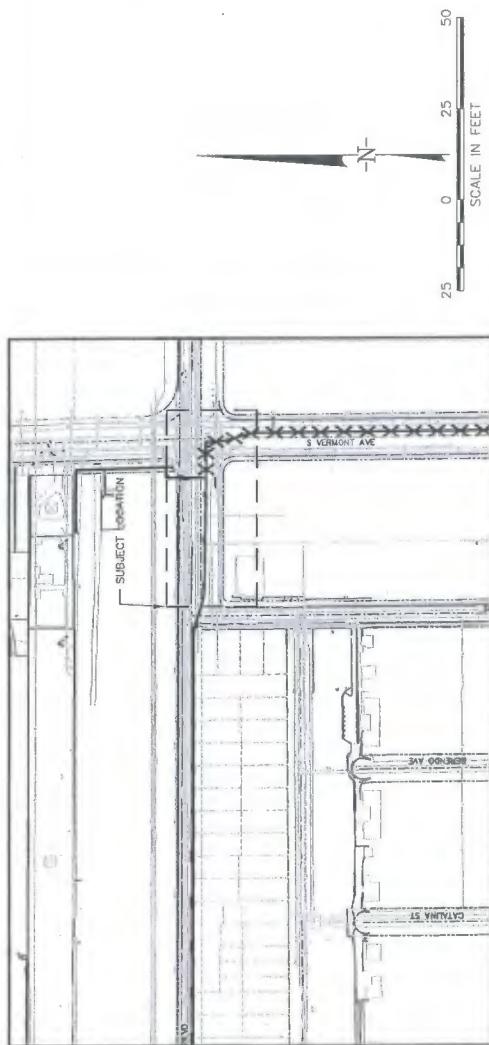
REV	DATE	DESCRIPTION	DRN	APP
 AECOM				
REFERENCE: GEOPNTIC, FINAL EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012				
3985 MA ORO AVENUE E LONG BEACH, CALIFORNIA 90810 PHONE: 562-420-2933				
INJECTION PIPING PLAN AND PROFILE STA. 922+50 – 926+00				
PROJECT: MONTROSE CHEMICAL CORPORATION OF CALIFORNIA				
SITE: DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES				
TITLE:				
DESIGN BY: Geosyntec DATE: JULY 12, 2013 DRAWN BY: jBarnes PROJECT NO.: 60277792 CHECKED BY: BDeen FILE#: SE0450-W45-INJ_A01.dwg DRAWING NO.: W-152-INJ EXHIBIT NO.: 23				



INDEX MAP



REV	DATE	DESCRIPTION	DRN	APP
AECOM				
3905 VIA ORO AVENUE LONG BEACH, CALIFORNIA 90810 PHONE: 562-420-2833				
INJECTION PIPING PLAN AND PROFILE				
STA. 926+00 – 928+38, 1003+88 – 1004+45				
MONTROSE CHEMICAL CORPORATION OF CALIFORNIA				
MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES				
TITLE:				
PROJECT:				
SITE:				
REFERENCE: GEOPHYSIC, FINAL, EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012		<p>DESIGN BY: Geosyntec DATE: JULY 12, 2013</p> <p>DRAWN BY: jBarnes PROJECT NO.: 60277792</p> <p>CHECKED BY: BDeon FILE: SR0450-WH45-INJ-A01.dwg</p> <p>DRAWING NO.: EXHIBIT NO.:</p> <p><u>W-153-INJ</u> <u>24</u> <u>OF</u> <u>24</u></p>		



INDEX MAP

ENCLOSURE B

ANALYSIS

This ordinance grants a well and water pipeline franchise to Montrose Chemical Corporation of California, a Delaware Corporation ("Franchisee"), to construct facilities including pipelines, wells, valves, vaults, control boxes, and other appurtenant facilities in connection with a groundwater remediation project implemented by Franchisee pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, for a period of fifty (50) years. Franchisee will pay a one-time fee to the County of Los Angeles of eighty thousand dollars (\$80,000) to cover the franchise fee and all administrative costs associated with the franchise.

JOHN F. KRATTI
County Counsel

By *Julia Westman*
JULIA C. WEISSMAN
Deputy County Counsel
Public Works Division

JCW:jyj

Requested: 06/10/13
Revised: 07/08/13

ORDINANCE NO. _____

An ordinance granting a well and water pipeline franchise to Montrose Chemical Corporation of California, a Delaware corporation ("Franchisee") who is required by the U.S. Environmental Protection Agency ("EPA") pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), to construct and operate a groundwater treatment system to remediate contaminated groundwater in the unincorporated area of the County of Los Angeles ("Groundwater Treatment System" or "GWTS"), for a period of fifty (50) years. The GWTS will comprise a series of pipelines, extraction and injection wells, and other appurtenant facilities as described below, a portion of which will be located in County highways, as well as a groundwater treatment plant which will be located outside of the County right-of-way. The pipelines will transport water extracted from the extraction wells to Franchisee's groundwater treatment plant, and then transport the treated water to the injection wells.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Franchise Term; Grant.

The right, privilege, and franchise is granted to Franchisee, and its successors and assigns, for a period of fifty (50) years, beginning on September 26, 2013, the effective date of this franchise, to lay, construct, reconstruct, maintain, operate, renew, repair, change the size of, remove, or abandon in place, wells, pipes, pipelines, valves, vaults, control boxes and other appurtenant facilities for the extraction, injection, and transportation of groundwater, together with all manholes, valves, control wires, cathodic protection systems, appurtenances and service connections necessary or

appropriate for the operation of said wells, pipes, pipelines, vaults, control boxes and adjunct communication lines, including poles, conduits, wires, cables, and other equipment for data communication lines necessary or appropriate for Franchisee's GWTS ("Franchise Facilities") on, along, upon, in, under, or across any and all highways as defined in Section 16.36.080 of the Los Angeles County Code ("County Code") now or hereafter dedicated to public use within that portion of the unincorporated territory of the County of Los Angeles ("County"), State of California, generally between Del Amo Boulevard to the north, 213th Street to the south, Vermont Avenue to the east, and Normandie Avenue to the west, more particularly shown on Exhibit A attached hereto and made a part hereof ("Franchise Area").

SECTION 2. Consideration; Payment of Fees.

A. All fees set forth in this ordinance shall be made payable to the County of Los Angeles, c/o Department of Public Works, P.O. Box 1460, Alhambra, California 91803.

B. Franchise Fee. As consideration for this franchise granted, Franchisee shall pay the County a one-time fee of eighty thousand dollars (\$80,000), comprised of a payment of a deposit of twenty-five thousand dollars (\$25,000) made by Franchisee on March 1, 2011, plus a payment of fifty-five thousand dollars (\$55,000) to be made within thirty (30) days after the adoption of this ordinance. This fee is intended to be comprehensive, and include all County franchise and permit fees imposed in connection with the franchise. Except as provided in this Section 2, and subject to the insurance and indemnification requirements of Section 3, no additional fees or assessments,

including administrative, permitting and processing fees, shall be assessed in connection with the grant of this franchise.

C. Additional Franchise Fees. Any addition of substantially greater facilities than originally contemplated by Franchisee and the County at the time of adoption of this franchise, shall be subject to approval by the County, and upon sixty (60) days advanced notice, Franchisee may be required to pay an additional fee to supplement the Franchise Fee. Such additional fee shall be calculated in a manner that is consistent with the method utilized to calculate the original Franchise Fee.

D. Late Payments. In the event Franchisee fails to make full payment of any of the payments provided for herein on or before the dates they are due, Franchisee shall pay a late charge of ten percent (10%) of the amount due, said ten percent (10%) being due thirty (30) days after the date payments are due. The ten percent (10%) has been set by both parties hereto in recognition of the difficulty in affixing actual damages from a breach of said time performance requirement.

In the event full payment of any rate, payment, or fee, including the ten percent (10%) late charge, is not received within sixty (60) days after the due date, an assessment of interest shall accrue on the unpaid balance at one percent (1%) per month beginning on the sixty-first (61st) day after the due date.

SECTION 3. Indemnification and Insurance.

The following requirements apply to this franchise:

A. Indemnification. Franchisee shall indemnify, defend, and hold harmless the County and its special districts, elected and appointed officers, employees, and

agents ("County agents") from and against any and all liability and reasonable expenses, including claims and lawsuits relating to or arising from the County's grant of this franchise, claims and lawsuits relating to obligations under the California Environmental Quality Act or National Environmental Policy Act in connection with the County's grant of this franchise, and for injuries or damages of any nature whatsoever, including but not limited to bodily injury, death, personal injury, or property damage, including property of Franchisee, pollution liability, defense costs, attorneys' fees, and workers' compensation benefits, based upon, arising from, or relating to either:

(1) Franchisee's use of this franchise and the operations of Franchisee, its employees, agents, servants, receivers, contractors, subcontractors, successors, or assignees ("Franchisee's agents") in connection with this franchise; and/or (2) any acts or omissions of Franchisee, Franchisee's agents, or any person in connection with activities or work conducted or performed pursuant to this franchise. Franchisee shall also indemnify, defend, and hold harmless the County and the County's agents, from and against any and all pollution liability, contamination, or environmental degradation liability, including any and all reasonable expenses, claims, and lawsuits for injuries or damages of any nature whatsoever, defense costs, attorneys' fees, and workers' compensation benefits, arising from or relating to any threatened, actual, or alleged unpermitted discharge, dispersal, release, or escape of any substance into or upon any person, thing, or place, including the land, soil, atmosphere, man-made structure, and/or any above or below ground watercourse or body of water, in connection with this franchise. Notwithstanding the foregoing, Franchisee shall not be obligated to

indemnify the County and the County's agents for any liability and expense arising from the active negligence or willful misconduct of the County or the County's agents, or arising from hazardous substances not conveyed within the Franchise Facilities and not caused by Franchisee or Franchisee's agents.

B. In addition to any other reporting obligations that Franchisee may have to any other agencies, Franchisee shall immediately notify the County of all unpermitted discharges, releases, or escapes of any treated or untreated groundwater or any other substance from the Franchisee Facilities within the Franchise Area. All actions to investigate, remove or remediate any substance reasonably demonstrated to be discharged, dispersed, released, or escaped from the Franchisee Facilities without the appropriate permit, and to repair or restore Franchisee Facilities shall be the sole responsibility of Franchisee and shall be conducted by Franchisee or Franchisee's agents in conformance with any and all applicable laws, ordinances, rules, regulations, requirements, and orders whatsoever, present or future, of the federal, state, county, or other local government with no expense to the County, and shall be immediately undertaken. If within a reasonable period of time, Franchisee fails to take any action required pursuant to this section, the County may, but shall not be obligated to, take all investigative, remedial, or removal actions it deems appropriate at Franchisee's expense that are not inconsistent with any directives or requirements of the EPA. Upon written demand by the County, Franchisee shall reimburse the County for all expenses reasonably incurred in connection with the County's actions, including, but not limited to, all direct and indirect costs relating to investigation, remediation, and removal.

C. Insurance. Without limiting Franchisee's obligation to indemnify the County or the County's agents, as required by this section, Franchisee shall provide and maintain or cause to be provided and maintained through its contractors or agents at its own expense during the term of this franchise, the following programs of insurance. Such programs and evidence of insurance shall be satisfactory to the County, and shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County.

1. Certificate(s) Declaration page(s) or other evidence of coverage satisfactory to the County shall be delivered on or before the effective date of this franchise, and on or before the expiration date of each term of insurance, to the County. Such certificates or other evidence shall:
 - a. Specifically identify this franchise ordinance;
 - b. Clearly evidence all insurance required in this franchise ordinance;
 - c. Contain the express condition that the County is to be given written notice by registered mail at least thirty (30) days in advance of any modification, non-renewal, cancellation, or termination of any program of liability insurance, and at least thirty (30) days in advance of any modification, non-renewal, cancellation, or termination of any program of workers' compensation or other insurance required by this section;

d. Include a copy of the additional insured endorsement to the liability policies, adding the County and the County's agents as insureds for all activities arising from this franchise; and

e. Show Franchisee's insurance as primary to the County's insurance and self-insurance programs. This may be evidenced by adding a statement to the additional insured endorsement required in subsection 3.C.1.d stating, "It is further agreed that the insurance afforded by this policy is primary to any insurance or self-insurance programs maintained by the additional insureds, and the additional insureds' insurance and self-insurance programs are excess and non-contributing to the Named Insured's insurance."

2. Insurance is to be provided by an insurance company with an A.M. Best rating of not less than A:VII, unless otherwise approved by the County.

3. Franchisee agrees that to the fullest extent permitted by law, Franchisee or its contractors or agents will waive their rights and their insurers' rights of recovery against the County and the County's agents under the insurance policies required in this franchise ordinance for loss arising from or relating to this franchise. Franchisee or their contractors or agents shall require their insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

4. Liability: Such insurance shall be endorsed naming the County and the County's agents as additional insureds, and shall include, but not be limited to:

a. Commercial General Liability Insurance written on a commercial general liability form (ISO policy form CG 00 01, or its equivalent, (including

umbrella policy) unless otherwise approved by the County), with limits of not less than five million dollars (\$5,000,000) per occurrence, fifteen million dollars (\$15,000,000) policy aggregate, and fifteen million dollars (\$15,000,000) products/completed operations aggregate. If written on a claims-made form, such insurance shall be endorsed to provide an extended reporting period of not less than two (2) years following termination or cancellation of this franchise.

b. Comprehensive Auto Liability Insurance (written on ISO policy form CA 00 01, or its equivalent, unless otherwise approved by the County), endorsed for all owned, non-owned, and hired vehicles with a limit of not less than one million dollars (\$1,000,000) per occurrence.

c. Environmental Impairment Liability Insurance ("EIL insurance"), which insures liability for environmental impairment, including cleanup cost endorsed for "Sudden and Accidental" contamination or pollution. Such coverage shall be in an amount and form to meet all applicable state and federal requirements, but in no event less than five million dollars (\$5,000,000) per occurrence.

i. If written with an annual aggregate limit, the policy limit should be three (3) times the above-required occurrence limit.

ii. If written on a claims-made form, such insurance shall be endorsed to provide an extended reporting period of not less than two (2) years following termination or cancellation of this franchise.

iii. EIL insurance maintained by either Franchisee or its contractor will satisfy the requirements of this section as long as it contains the required terms, conditions, amount, and scope of coverage.

iv. Franchisee or its contractors or agents shall maintain the EIL insurance required herein until the effective date of an agreement such as a Partial Consent Decree between Franchisee and EPA among others, entered in the Central District of California, that addresses operation and maintenance of the GWTS constructed by Franchisee pursuant to the August 22, 2012, Partial Consent Decree for Construction of the Dual Site Groundwater Operable Unit Treatment System and meets the requirements set forth in this paragraph. In order to relieve Franchisee of its obligation to maintain the EIL insurance, the Partial Consent Decree or the Statement of Work must remain in place and contain: (1) a performance guarantee in an amount sufficient to guarantee the performance of work under the Partial Consent Decree in a form that is acceptable to EPA and that complies with EPA's performance guarantee requirements; (2) provisions that require Franchisee to notify the County of any release or threat of release or unpermitted discharge from Franchise Facilities, and take all appropriate action at its expense to prevent, abate, or minimize such release or threat of release or unpermitted discharge, including all actions that are legally required and required by applicable cleanup standards to investigate, remove or remediate any such release or unpermitted discharge; and (3) contain language substantially similar to the language set forth in Exhibit C. Unless and until such an agreement is in effect, as

verified by the County, Franchisee or its contractors or agents shall maintain the EIL insurance required herein throughout the term of this franchise.

5. Workers Compensation: A program of workers' compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California. Such policy shall be endorsed to waive subrogation against the County for injury to Franchisee's employees. In all cases, the above insurance shall include Employers Liability insurance with coverage of not less than:

- a. Each accident: one million dollars (\$1,000,000);
 - b. Disease – policy limit: one million dollars (\$1,000,000); and
 - c. Disease – each employee: one million dollars (\$1,000,000).

D. Franchisee shall furnish the County within thirty (30) days of the adoption of this ordinance, and within thirty (30) days of the expiration date of each term of insurance, with evidence of insurance required by Section 3.C to the satisfaction of the County for each of said policies certified by Franchisee's insurance agent, or by the company issuing the policy.

E. The types and amounts of said insurance coverage shall be subject to review and reasonable adjustment by the County, at the County's sole discretion, at any time during the term of this franchise. In the event of such adjustment, Franchisee agrees to obtain said adjusted insurance coverage, in type(s) and amount(s) as determined by the County, within thirty (30) days after written notice from the County. Notwithstanding the foregoing, the County may not adjust the amount or duration of the required EIL insurance, as specified in subsection 3.C.4.c.

F. Failure on the part of Franchisee to procure or maintain or cause to be procured and maintained through its contractors and agents the required insurance, or to provide evidence of current insurance, shall constitute a material breach of the terms of this franchise upon which the County may terminate or suspend this franchise.

G. It is the obligation of Franchisee to provide evidence of current insurance policies. No franchise operations shall commence until Franchisee has complied with the provisions of this Section 3, and Franchisee shall suspend any franchise operations during any period that Franchisee fails to obtain or maintain the insurance required hereunder.

SECTION 4. Security/Bond.

A. Security Requirements/Faithful Performance Bond.

1. Within three (3) months following the adoption of this ordinance or prior to construction of the Franchisee's Facilities within the Franchise Area, whichever occurs first, Franchisee shall provide to the County a faithful performance bond in the form of a Franchise Bond in the sum of not less than two million four hundred seven thousand two hundred eighty-five dollars (\$2,407,285) payable to the County, executed by a corporate surety licensed to transact business as a surety in the State of California, and acceptable to the County. Such bond shall be conditioned upon the faithful performance by Franchisee of the terms and conditions of this franchise and shall provide that, in case of a breach of any condition of this franchise, the whole amount of the penal sum, or any portion thereof, shall be deemed to be liquidated damages, and shall be payable to the County by the principal and surety(ies) of the bond.

2. Every year that the faithful performance bond is required to be in full force and effect, the amount of the faithful performance bond for the then-current twelve (12) month period shall be increased by one and one-half percent (1.5%) on or before the franchise anniversary date in advance of the next franchise year. Franchisee shall maintain the faithful performance bond in the amount required herein until the effective date of an agreement, such as a Partial Consent Decree entered in the Central District of California, between Franchisee and EPA among others, that addresses operation and maintenance of the GWTS constructed by Franchisee pursuant to the August 22, 2012, Partial Consent Decree for Construction of the Dual Site Groundwater Operable Unit Treatment System and meets the requirements set forth in this paragraph. In order to relieve Franchisee of its obligation to maintain the bond, the Partial Consent Decree or the Statement of Work attached to such Partial Consent Decree must be in place and must contain: (1) a performance guarantee in an amount sufficient to guarantee the performance of work under the Partial Consent Decree in a form that is acceptable to EPA and that complies with EPA's performance guarantee requirements, and (2) provisions requiring compliance with the terms of this franchise, including provisions concerning operation, maintenance, decommissioning, and removal of the Franchisee's Facilities that are substantially the same as the language shown in Exhibit B. Unless and until such an agreement is in place, as verified by the County, Franchisee shall maintain the faithful performance bond in the amount required herein throughout the term of this franchise.

3. Except when Franchisee is not required to maintain a bond pursuant to subsection 4.A.2 above, if Franchisee receives notice from the County that any amount has been drawn down from the bond as provided in this section, within ten (10) business days after receipt of notice from the County, Franchisee shall restore the bond to the full amount required herein.

B. Alternative Security. The County, in its sole discretion, may accept alternative security to meet the above bonding requirements in the form of an irrevocable letter of credit, certificate of deposit, or a cash deposit in the form of a Passbook Savings Account acceptable to the County as an alternative to a faithful performance bond to guarantee the performance of Franchisee's obligations under this franchise. Such alternative security shall be made payable to the County and shall be deposited to the satisfaction of the County.

C. Adjustments. The types and amounts of the performance bond or alternative security coverage shall be subject to review and adjustment by the County at the County's sole discretion, at any time that the Franchisee is required to maintain a bond in accordance with subsection 4.A.2 above. In the event of such adjustment, Franchisee agrees to provide the adjusted coverage, in type(s) and amount(s) as determined by the County, within thirty (30) days after written notice from the County.

D. No franchise operations shall commence until Franchisee has complied with the requirements of this section.

SECTION 5. Transfers and Assignments.

A. Franchisee shall not sell, transfer (including stock transfers), assign, or lease this franchise or any part thereof (each of which is hereinafter referred to as an "assignment"), to any other person or entity ("transferee") except with the written consent of the Director of the County Department of Public Works, or designee and after payment of a transfer fee as detailed in Section 5.G. No such consent shall be required for any assignment of this franchise or by a way of mortgage, pledge, or hypothecation with all or a part of Franchisee's other property for the purpose of securing any indebtedness of Franchisee.

B. Franchisee shall give notice to the County of any pending assignment, except as excluded in Section 5.E, and shall provide all documents required by the County as set forth in Section 5.F. Consent to any such assignment shall only be refused if the County finds that Franchisee is not in compliance with the terms and conditions of this franchise and/or that the proposed transferee, as applicable, is lacking in experience and/or financial ability to meet this franchise obligations. Consent shall be conditioned upon the completion of the assignment on the terms and conditions set forth in the assignment documents delivered to the County, the assumption by the transferee, as applicable, of all Franchisee's covenants and obligations under this franchise, and all information provided to the County under Section 5.F being true and correct as of completion of the assignment. Upon receipt of such consent from the County, Franchisee may proceed to consummate the assignment.

C. Franchisee shall file with the County within thirty (30) days after the effective date of any assignment, a certified copy of the duly executed instrument(s) which officially evidence(s) such assignment. If such duly executed instrument(s) is not filed with the County within thirty (30) days after the effective date of such proposed assignment, or if the conditions to consent by the County have not been met, then the County may notify Franchisee and the proposed transferee that the assignment is not deemed approved by the County. The County may determine that the assignment has no force or effect, or that this franchise is forfeited.

D. As a condition to granting consent to such assignment, the County may impose by ordinance such additional terms and conditions upon the proposed transferee which the Board of Supervisors ("Board") deems to be in the public interest. Nothing contained herein shall be construed to grant Franchisee the right to complete an assignment except in the manner aforesaid. This section applies to any assignment, whether by operation of law, by voluntary act of Franchisee, or otherwise.

E. Notwithstanding the foregoing, shareholders, partners, and/or any other person or entity owning an interest in Franchisee may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, divestment, or other change, including a merger, is effected in such a way as to give control of Franchisee to any person or persons, corporation, partnership, or legal entity other than the person or entity with the controlling interest in Franchisee on the effective date of this franchise or the effective

date of the last approved assignment, consent thereof shall be required as otherwise provided in this section.

F. Upon notice by Franchisee of any pending assignment, the proposed transferee shall submit an assignment application to the County, which shall contain at a minimum:

1. Identification of the proposed transferee which indicates the corporate or business entity organization, including the submission of copies of the corporate or business formation papers (e.g., articles of incorporation and by-laws, limited partnership agreements, operating agreements), the names and addresses of any parent or subsidiary of the proposed transferee(s), or any other business entity owning or controlling the proposed transferee in part or in whole;

2. A current financial statement, which has been audited by a certified public accountant demonstrating conclusively to the satisfaction of the County that the proposed transferee has all the financial resources necessary to carry out all of the terms and conditions of this franchise. The financial statement shall include a balance sheet, profit and loss statement for at least the three (3) most recent years, and a statement of changes in financial position; however, if the proposed transferee has been in existence for less than three (3) years, then for such period of existence;

3. A copy of the proposed agreement of sale, letter of understanding, or other documentation which details the proposed assignment ("assignment documents");

4. Other information which may be required by the County to assess the capability of the proposed transferee to operate and maintain this franchise.

G. The transfer fee shall be the actual costs to process the proposed assignment application, including any consultant's fees incurred by the County to assist in evaluating the application, but in no event less than the minimum transfer fee of two thousand five hundred dollars (\$2,500). The minimum transfer fee will be submitted with the proposed assignment application. Additional monies owed shall be due and payable prior to final determination of the request by the County.

SECTION 6. Relocation of Facilities.

The requirements of Section 16.52.290 of the County Code, Relocation of Pipelines and Appurtenances, shall apply with equal force to pipelines, appurtenances, and any other Franchise Facilities installed in accordance with this franchise, subject to concurrence from EPA. In the event Franchisee receives notice to relocate any Franchise Facilities pursuant to Section 16.52.290 of the County Code, in addition to all obligations of Franchisee and rights of the County under Sections 16.38.450 and 16.52.290 of the County Code, if Franchisee neglects or fails to relocate its facilities in a timely manner after receipt of any such notice, Franchisee shall be solely responsible for, and shall reimburse the County, city, and other applicable public entities, any and all additional costs or expenses incurred by the County, city, and other applicable public entities, due to, or resulting from, such delay in relocation of the facilities.

SECTION 7. Removal or Abandonment of Facilities.

The procedures for removal or abandonment of facilities shall be in accordance with Section 16.52.300 of the County Code as follows:

- A. At the expiration, revocation, or termination of this franchise or the permanent discontinuance of the use of all or a portion of its facilities, Franchisee shall, within thirty (30) days thereafter, make written application to the County for authority to either:
 1. Abandon all or a portion of such facilities in place; or
 2. Remove all or a portion of such facilities.

Such application shall describe the facilities desired to be abandoned, their location with reference to county highways, and shall describe with reasonable accuracy the physical condition of such facilities. The County shall determine whether any abandonment or removal, which is thereby proposed, may be effected without detriment to the public interest and under what conditions such proposed abandonment or removal may be effected. The County shall then notify Franchisee of its determinations.

- B. Within thirty (30) days after receipt of such notice, Franchisee shall apply for a permit from the County to abandon or remove the facility.
- C. Franchisee shall, within sixty (60) days after obtaining such permit, commence the work authorized by the permit at its expense.

SECTION 8. Conditions of Franchise Grant; Suspension or Forfeiture

Grounds and Procedure.

- A. This franchise is granted upon each and every condition contained in this ordinance, including such conditions contained herein as are incorporated by reference.
- B. Any neglect, failure, or refusal to comply with any of the conditions of this franchise shall constitute grounds for suspension or forfeiture thereof. The Board, prior to any suspension or termination of this franchise, shall give to Franchisee not less than thirty (30) days' notice in writing of any default. If Franchisee does not, within the noticed period, begin the work of compliance to cure the default, or after such beginning does not prosecute the work with due diligence to cure the default, the Board may hold a hearing, at which Franchisee shall have the right to appear and be heard, and thereupon the Board may determine whether such conditions are material and essential to this franchise and whether Franchisee is in default with respect thereto and may declare this franchise suspended or terminated. Notice of the hearing shall be given to Franchisee by certified mail not less than thirty (30) days before said hearing. This franchise may only be suspended or terminated by the Board after a hearing.

SECTION 9. Construction, Operation, and Maintenance.

- A. All Franchise Facilities shall be constructed, laid, operated, or maintained in accordance with and conforming to all applicable ordinances, codes, rules, and regulations now or hereafter adopted or prescribed by the Board and all applicable local, state and federal laws and regulations.

B. Franchisee shall not commence any excavation work under this franchise until it has obtained any applicable permit required by Division 1 of Title 16 of the County Code, except in cases of emergency affecting public health, safety or welfare, or the preservation of life or property, in which case Franchisee shall apply for such permit not later than the next business day.

C. The work of constructing, laying, replacing, repairing, or removing the Franchise Facilities on, along, upon, in, under, or across any and all highways shall be conducted with as little hindrance as practicable to the use of the highway for purpose of travel; and as soon as the constructing, laying, replacing, repairing, or removing of any of said facilities is completed, all portions of the highway which have been excavated or otherwise injured thereby shall be placed in as good condition as the same was before constructing, laying, replacing, repairing, or removing of the Franchise Facilities to the satisfaction of the County.

D. The County reserves the right for itself, for all cities and public entities that are now or may be later established, to improve the surface of any highway over which this franchise is granted. The County shall notify Franchisee within two (2) business days before conducting any improvements on the surface of any highway over which this franchise is granted which could potentially impact the Franchise Facilities so that Franchisee may meet with the County to discuss the improvements and any potential impact on the Franchisee's Facilities.

E. If the County constructs or maintains any storm drain, sewer structure, or other facility or improvement under or across any Franchise Facility, Franchisee shall

provide, at no expense to the County, such support as shall be reasonably required to support, maintain, and protect the Franchise Facilities.

F. If any portion of any highway shall be damaged by reason of defective Franchise Facilities, Franchisee shall, at its own expense, repair any such defect and put such highway in as good condition as it was before such damage was incurred, to the satisfaction of the County. If Franchisee neglects or fails to repair such damage after receipt of any such notice, or if such damage constitutes an immediate danger to public health and safety requiring the immediate repair thereof, Franchisee shall be solely responsible for, and shall reimburse the County, city, and other applicable public entities, any and all additional costs or expenses incurred by the County, city, and other applicable public entities, due to, or resulting from, such repair of the facilities.

SECTION 10. Notices.

Unless stated otherwise herein, any notices to be given or other documents to be delivered by either party may be delivered in person, by private courier, or deposited in the United States mail or reliable commercial carrier (e.g., Federal Express) to the party for whom intended as follows:

To County: County of Los Angeles Department of Public Works
 Survey/Mapping & Property Management Division
 P.O. Box 1460
 Alhambra, California 91802-1460

AND

Executive Office of the Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

To Franchisee: Joseph C. Kelly
Montrose Chemical Corporation of California
600 Erickson Avenue NE, Suite 380
Bainbridge Island, Washington 98110
Work: (206) 780-9840
Fax: (206) 780-2109

With copies to: Kelly E. Richardson
Latham & Watkins LLP
600 West Broadway, Suite 1800
San Diego, California 92101
Work: (619) 236-1234
Fax: (619) 696-7419
E-Mail: Kelly.Richardson@lw.com

SECTION 11. County Franchises.

This franchise is granted pursuant to the provisions of Division 3, Franchises and Division 3A, Pipeline Franchises, of Title 16, Highways, of the County Code. The provisions of Division 3A of Title 16 of the County Code are incorporated herein by reference, and as Division 3A of Title 16 of the County Code may be amended hereafter and/or in any successor provisions, and these provisions apply with respect to all the Franchise Facilities, including pipelines and appurtenances as well as wells and other facilities constructed pursuant to this franchise. In the event the provisions of this franchise conflict with any of the provisions of Division 3A of Title 16 of the County Code, the provisions herein shall control. Without limiting the generality of the foregoing, Sections 16.52.320 through 16.52.4 50 of the County Code are superseded by this ordinance.

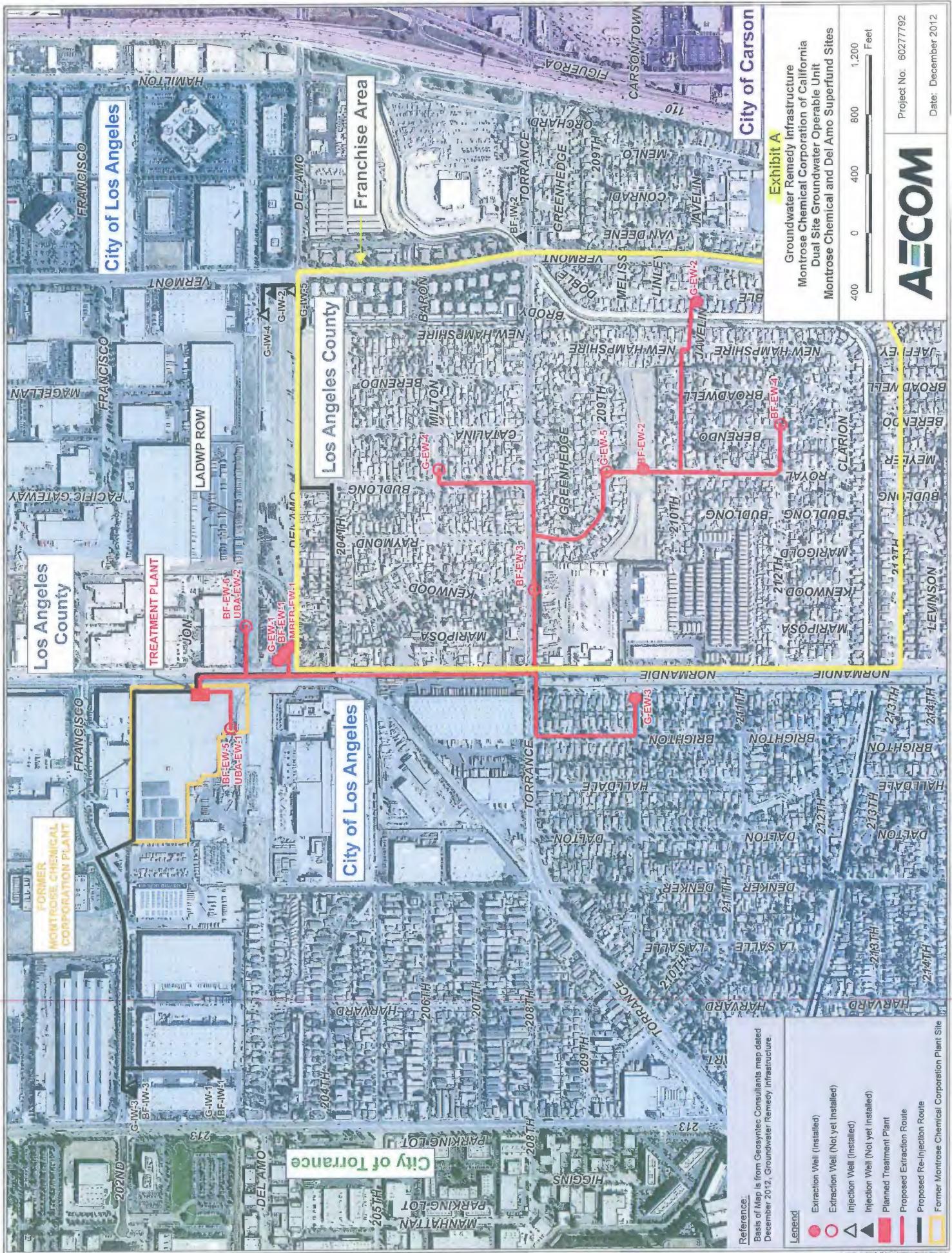
SECTION 12. Franchise Operative Date.

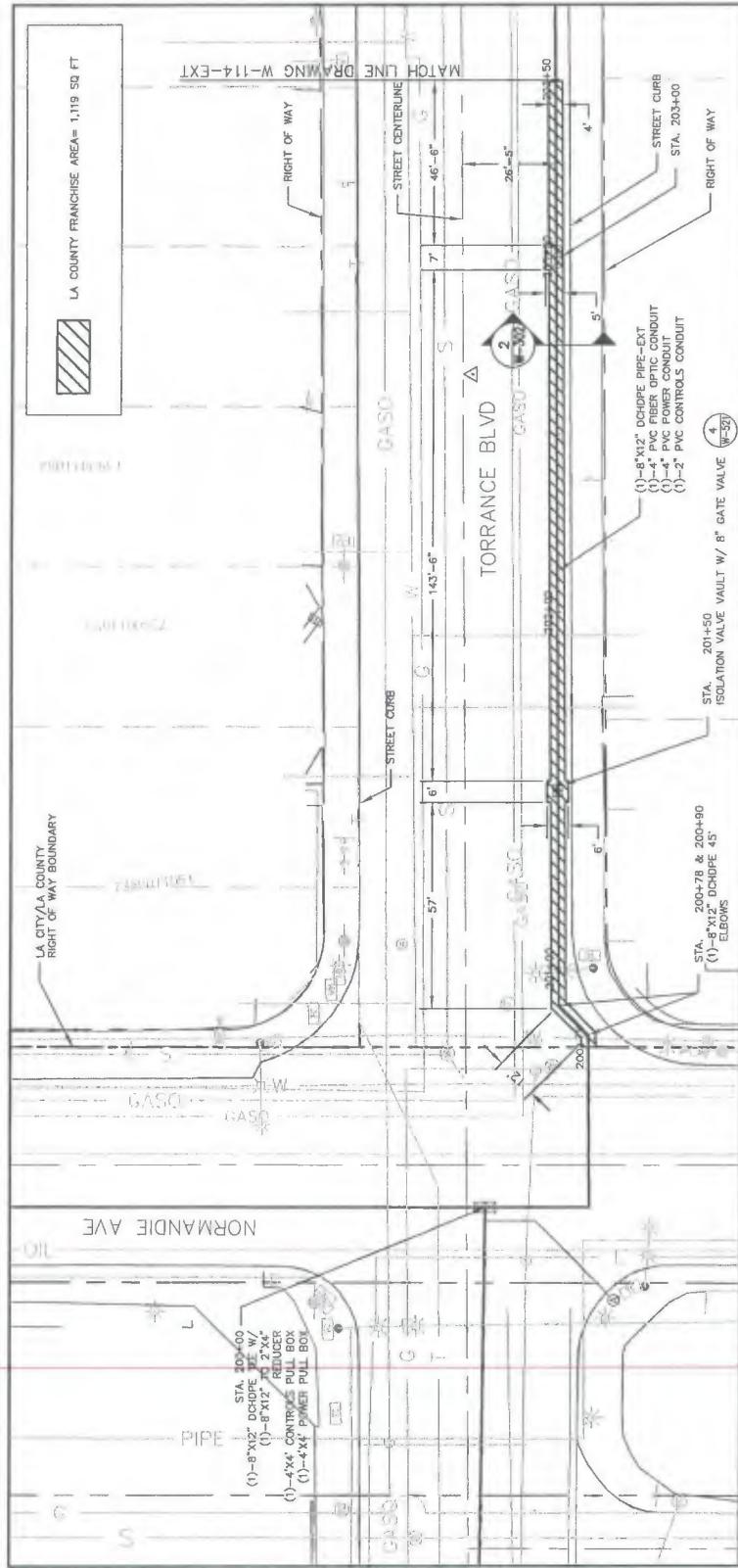
The operative date of this franchise shall be September 26, 2013.

SECTION 13. This ordinance shall be published in a newspaper printed and published in the County of Los Angeles.

[MONTCHEMCORPCALFRNJWCC]

Exhibit A

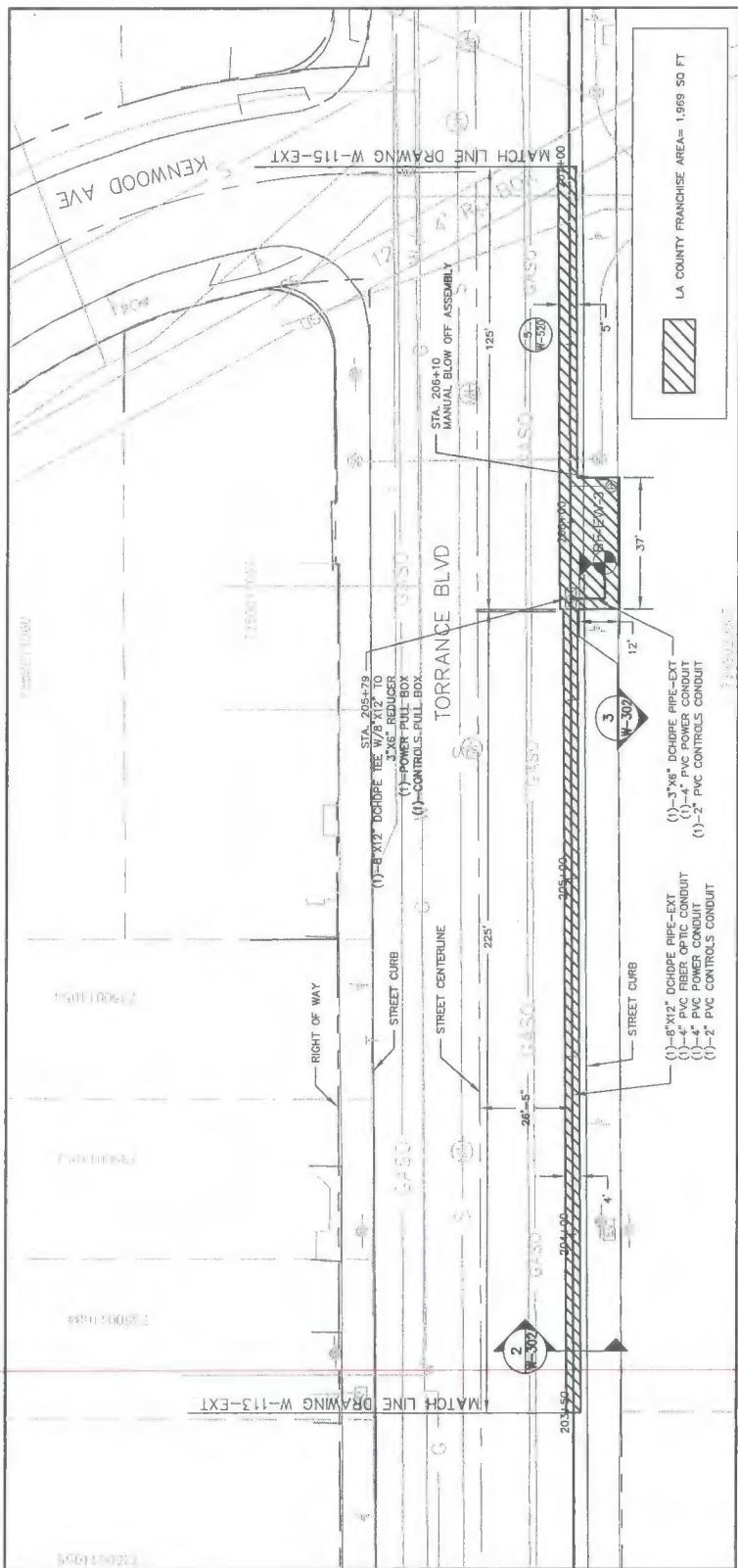




REV	DATE	DESCRIPTION	DRN	APP
 AECOM				
REFERENCE:	GEOSYNTEC, FINAL EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012			
PROJECT:	TORRANCE BLVD. NEAR NORMANDIE AVE. STA 200+75-203+50 MONTROSE CHEMICAL CORPORATION OF CALIFORNIA			
SITE:	DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES			
		DESIGN BY:	Geosyntec DATE: JULY 12, 2013	
		DRAWN BY:	JBarnes PROJECT NO.: 60277792	
		CHECKED BY:	BDean FILE: SEN450-W113-EXT_A02.dwg	
		DRAWING NO.:	EXHIBIT NO.: 1	
			W-113-EXT 1 OF 24	



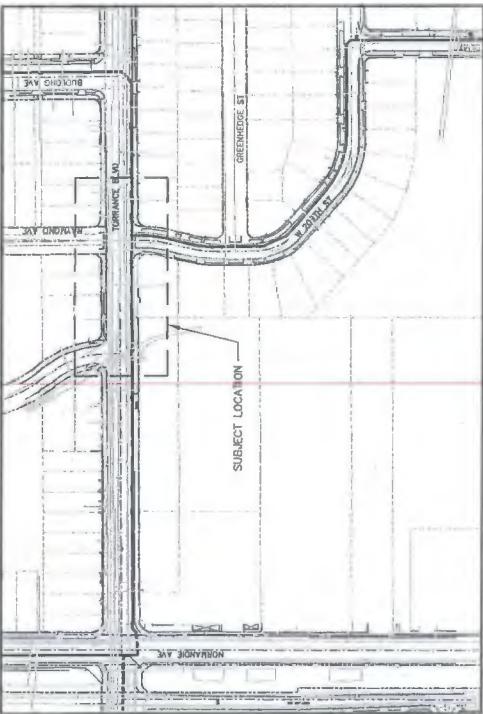
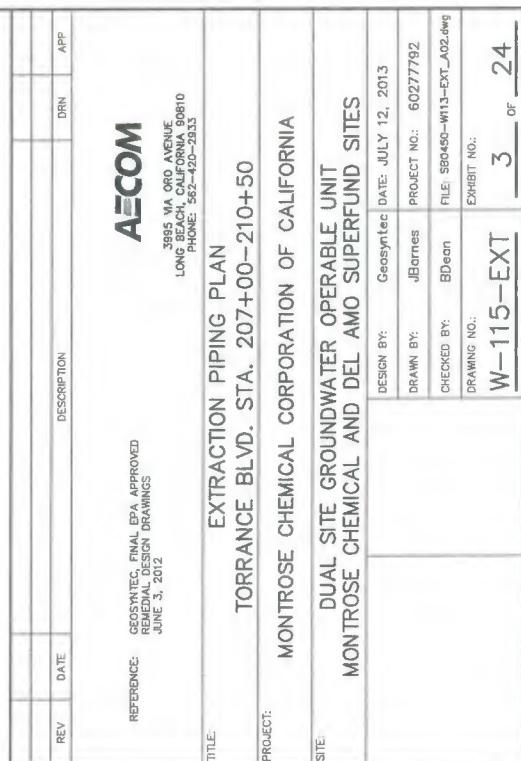
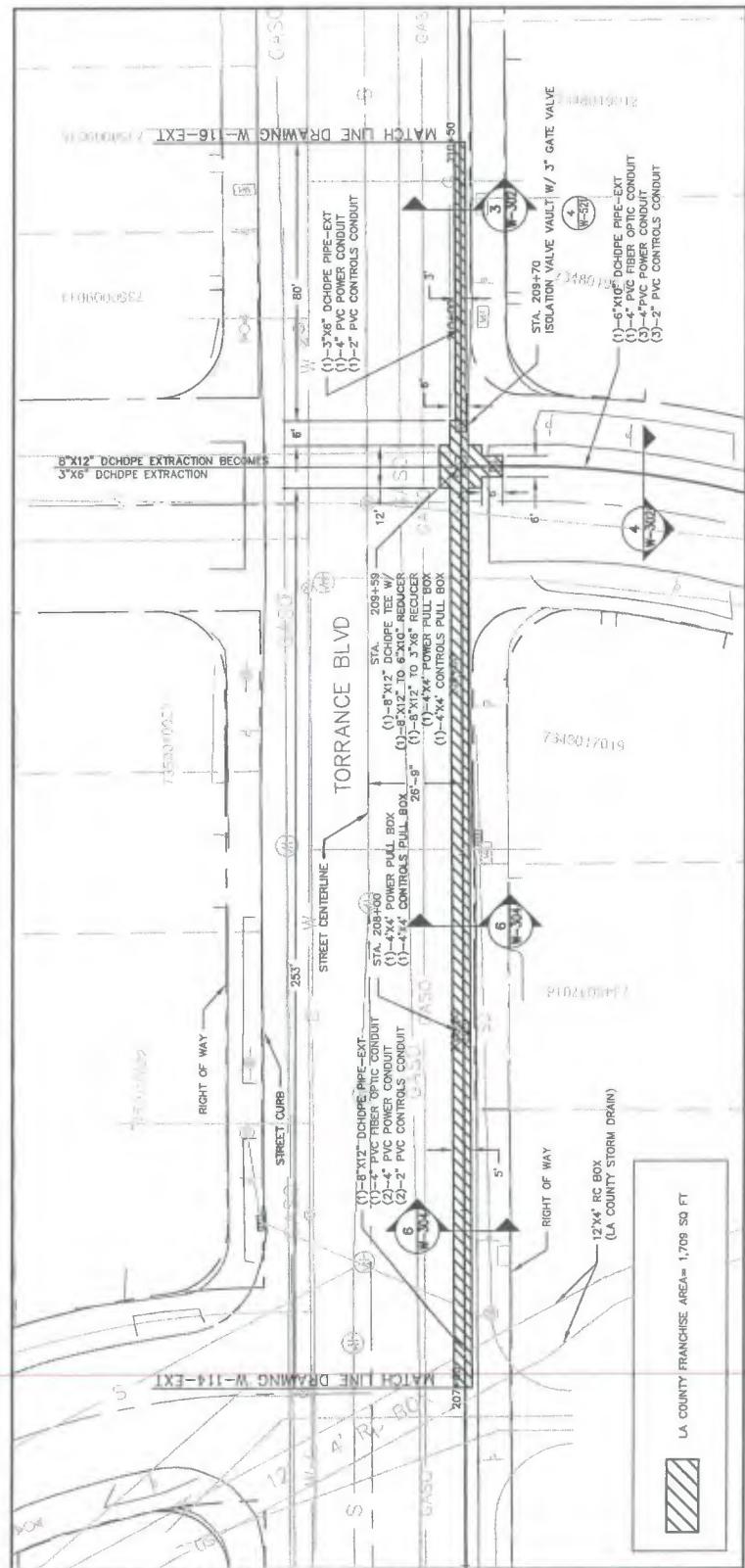
INDEX MAP



REV	DATE	DESCRIPTION	DRN	APP
REFERENCE:	ACOM GEOSYNTEC, FINAL EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012			
TITLE:	EXTRACTION PIPING PLAN			
PROJECT:	TORRANCE BLVD. STA. 203+50-207+00			
SITE:	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA			
	DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES			
	DESIGN BY: Geosyntec DATE: JULY 12, 2013 DRAWN BY: jBarnes PROJECT NO.: 60277792 CHECKED BY: BDcon FILE: SBD-050-W113-EXT-A02.dwg DRAWING NO.: W-114-EXT EXHIBIT NO.: <u>2</u> OF <u>24</u>			

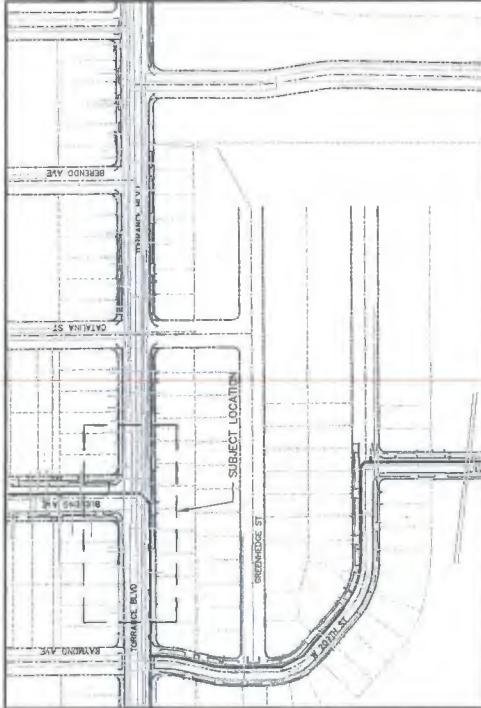
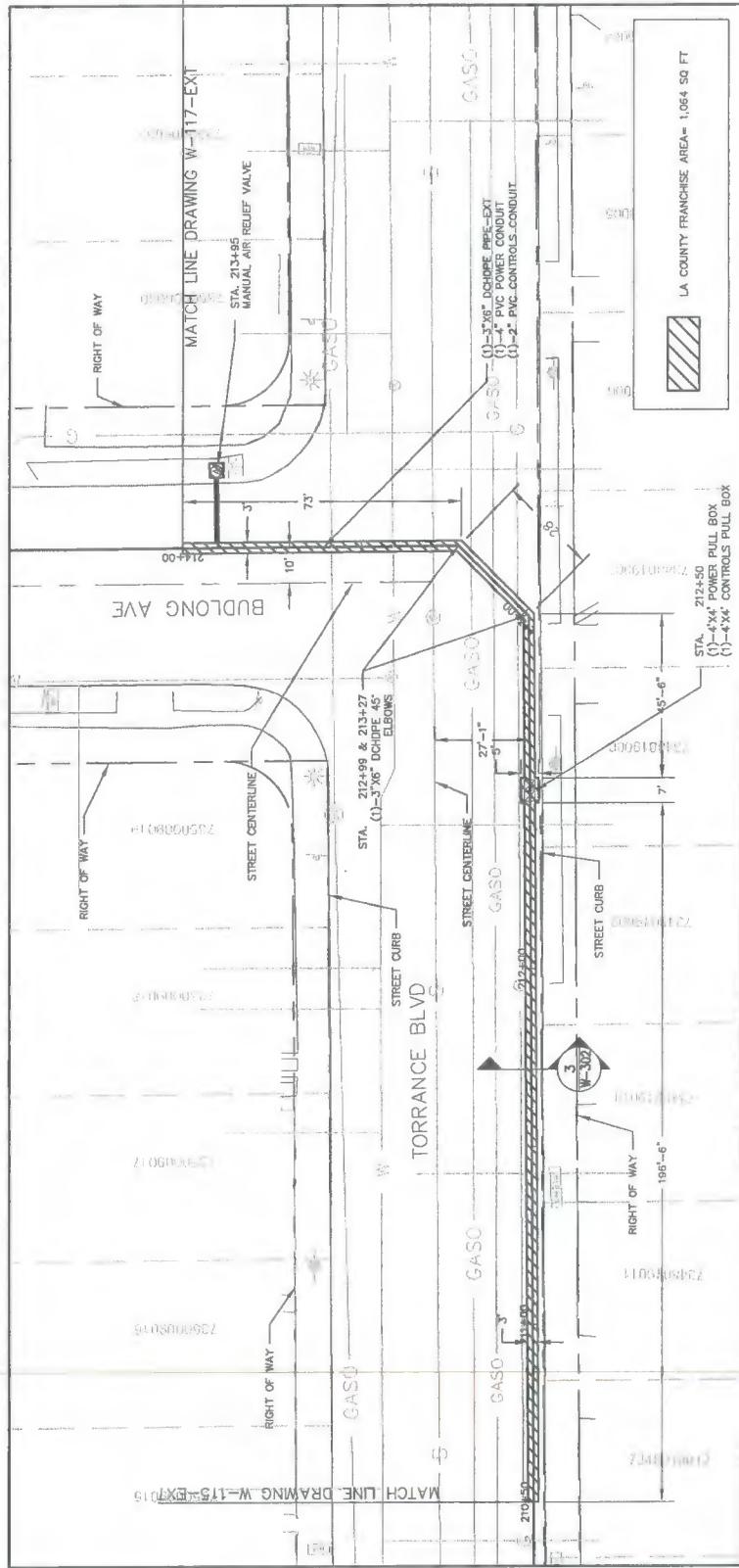
INDEX MAP

JUL 12, 2013 - 2:44PM carilloj1 - W:\work\602\8976\GIS\Project\Terrance_Remediation\SB0450-W113-EXT_A02.dwg



INDEX MAP

Jul 16, 2013 - 11:38am carilloj - W:\work\617788976\GIS\Project\Torrance_Remediation\SB0450-W113-EXT_A02.dwg



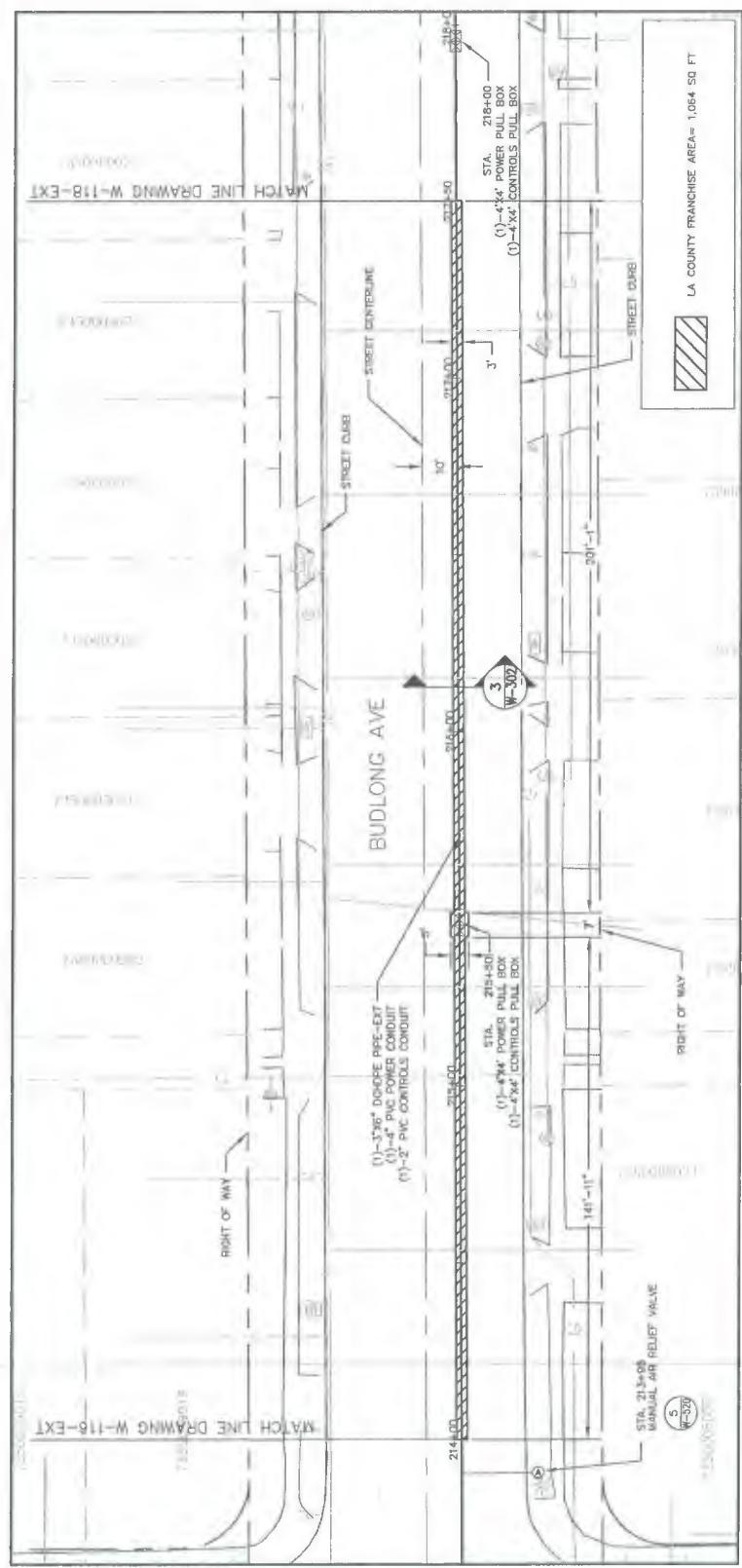
AECOM
GEOSTRATEGIC, FINAL, EPA APPROVED
RENEWABLE DESIGN DRAWINGS
JUNE 3, 2012
3995 WIA ORO AVENUE
LONG BEACH, CALIFORNIA 90803
PHONE: 562-420-7343

EXTRACTION PIPING PLAN

TORRANCE BLVD STA 210+50-214+00

PROJECT	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA		
SITE	DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES		
	DESIGN BY:	Geosyntec	DATE: JULY 12, 2013
	DRAWN BY:	jBarnes	PROJECT NO.: 60277792
	CHECKED BY:	BDean	FILE: SBO150-WH13-EXT-A02.dwg
	DRAWING NO.:		EXHIBIT NO.:
			4
			OF
			24
			W-116-EXT

INDEX MAP



AECOM

3985 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

EXTRACTION PIPING PLAN

PROJECT: MONROE CHEMICAL CORPORATION OF CALIFORNIA

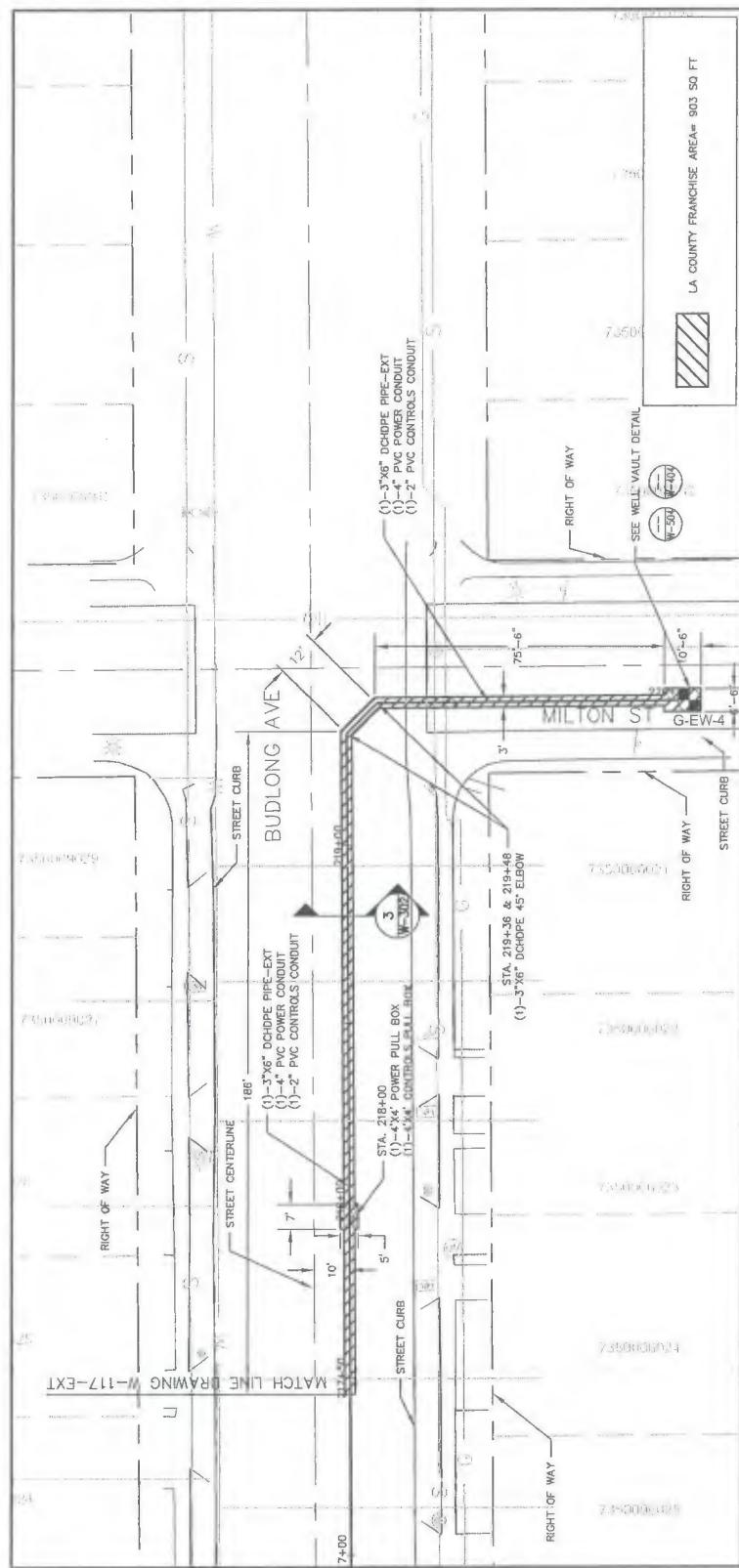
SITE: MONROE CHEMICAL AND DEL AMO SUPERFUND SITES

DESIGN BY:	Geosyntec	DATE:	JULY 12, 2013
DRAWN BY:	jBarnes	PROJECT NO.:	60277792
CHECKED BY:	BDeon	FILE:	SB0450-WH13-EXT_A02.dwg
DRAWING NO.:		EXHIBIT NO.:	
W-117-EXT	5	of	24



INDEX MAP

SCALE IN FEET
25 0 25 50



AECOM

2895 WA ORO AVENUE
LONG BEACH, CA 90810
PHONE: 562-420-2933

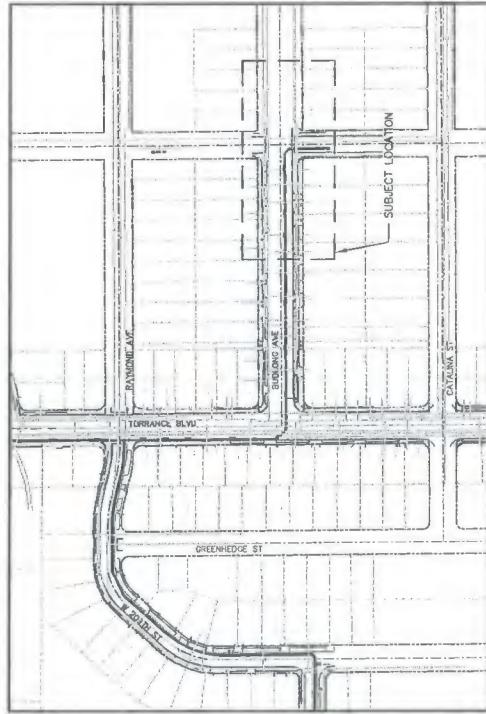
EXTRACTION PIPING PLAN

PROJECT: TORRANCE CHEMICAL CORPORATION OF CALIFORNIA

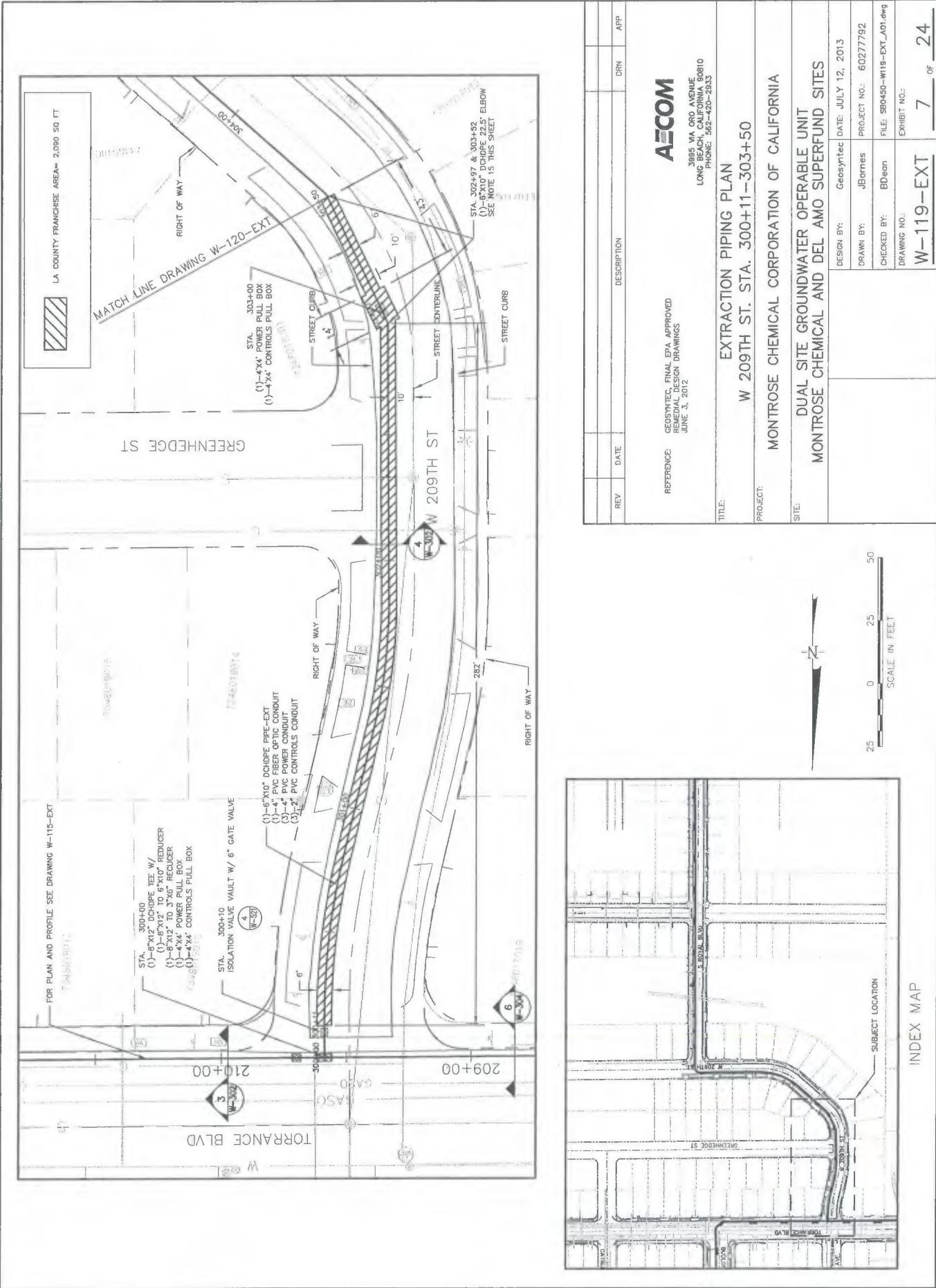
SITE: DUAL SITE GROUNDWATER OPERABLE UNIT
MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES

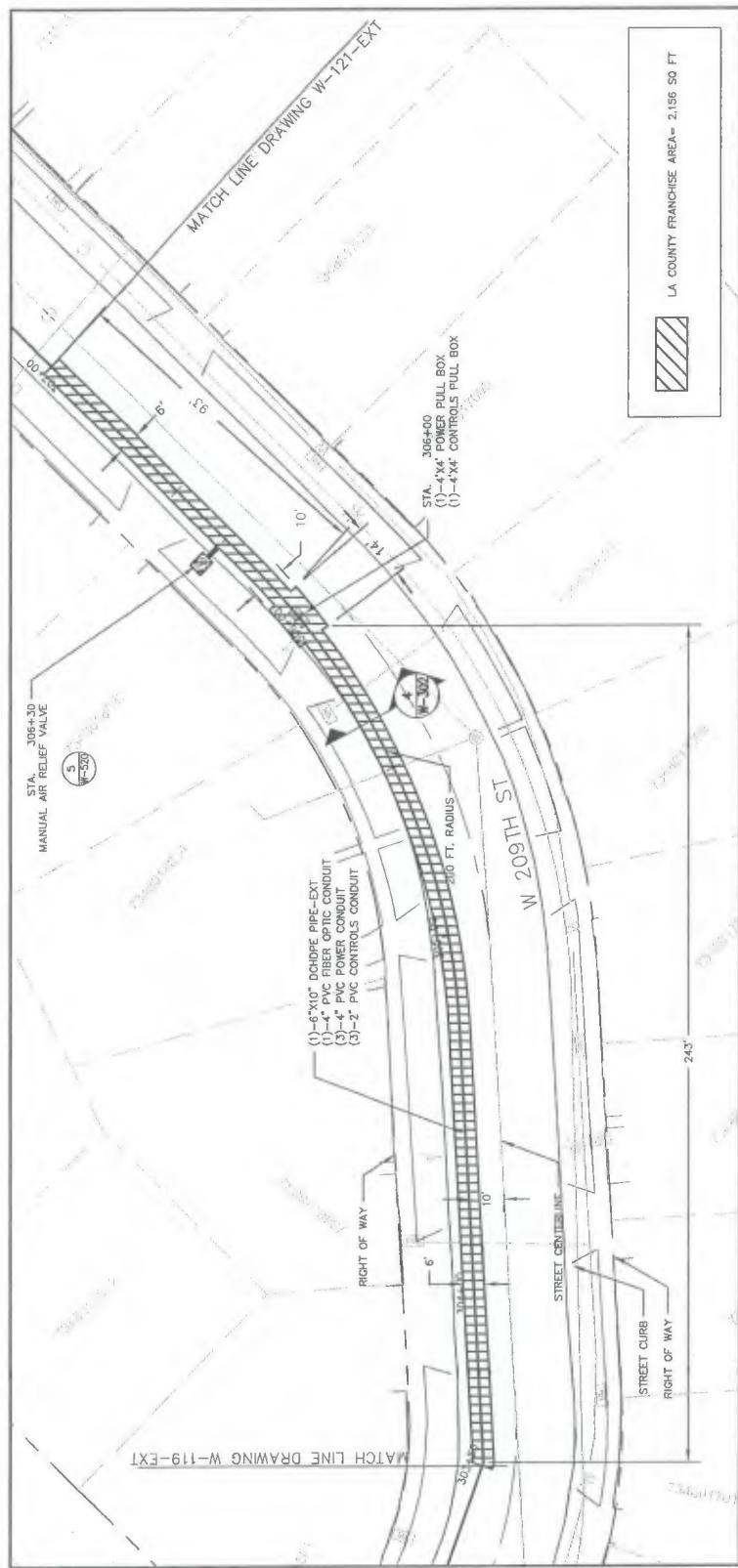
REV	DATE	DESCRIPTION	DRN	APP

SCALE IN FEET



INDEX MAP





REV	DATE	DESCRIPTION	DRN	APP

REFERENCE: GEOSYNTEC FINAL FPA APPROVED
REMEDIAL DESIGN DRAWINGS
JUNE 3, 2012

PROJECT: 3995 MA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2935

TITLE: EXTRATION PIPING PLAN
W 209TH ST. STA. 303+50-307+00

SITE: MONROSE CHEMICAL CORPORATION OF CALIFORNIA
MONROSE CHEMICAL AND DEL AMO SUPERFUND SITES

AECOM

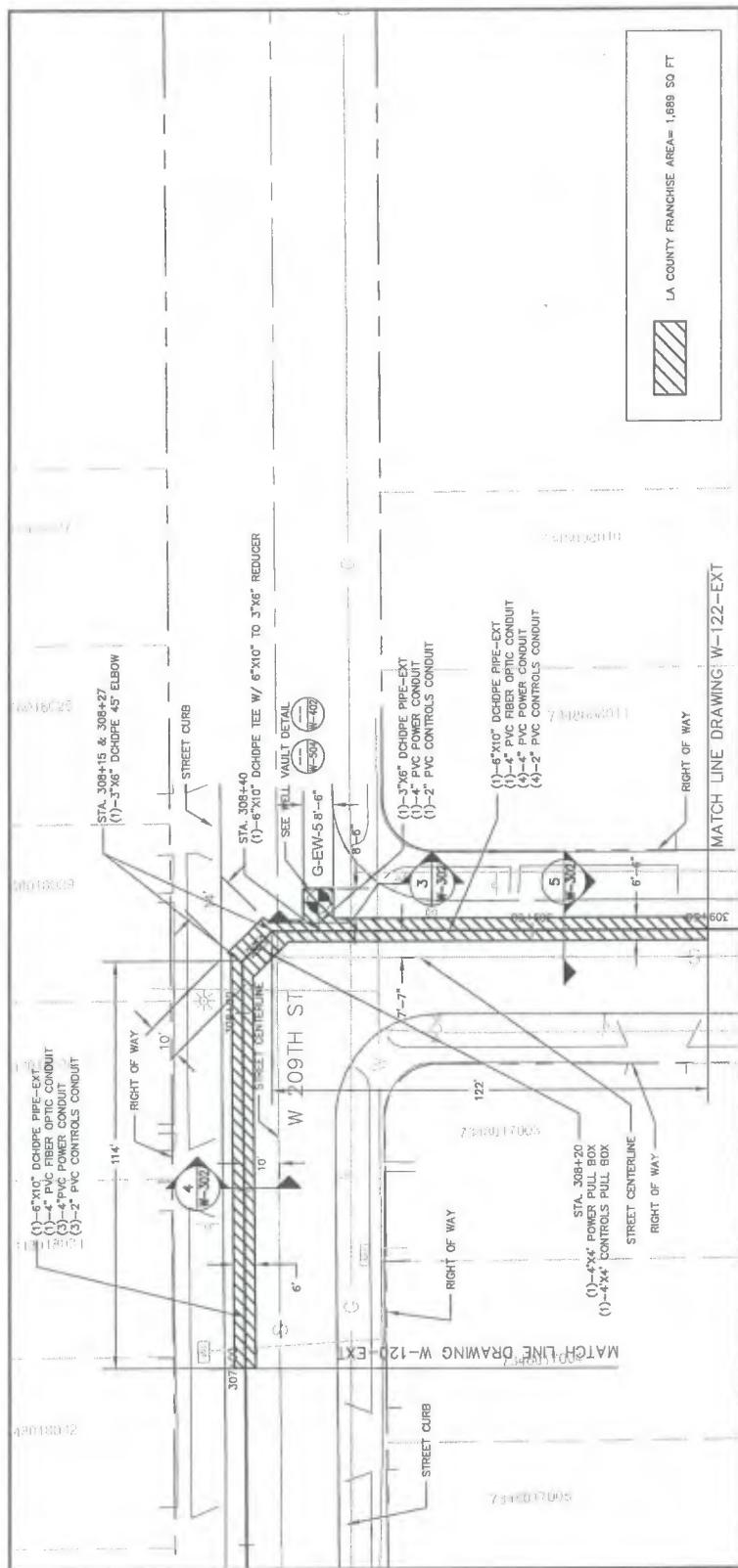
3995 MA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2935

EXHIBIT NO.: SB0450-W19-EXT_A01.dwg

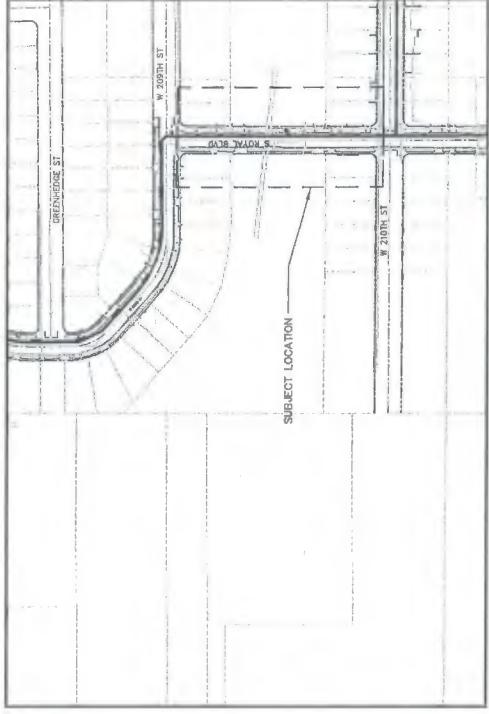
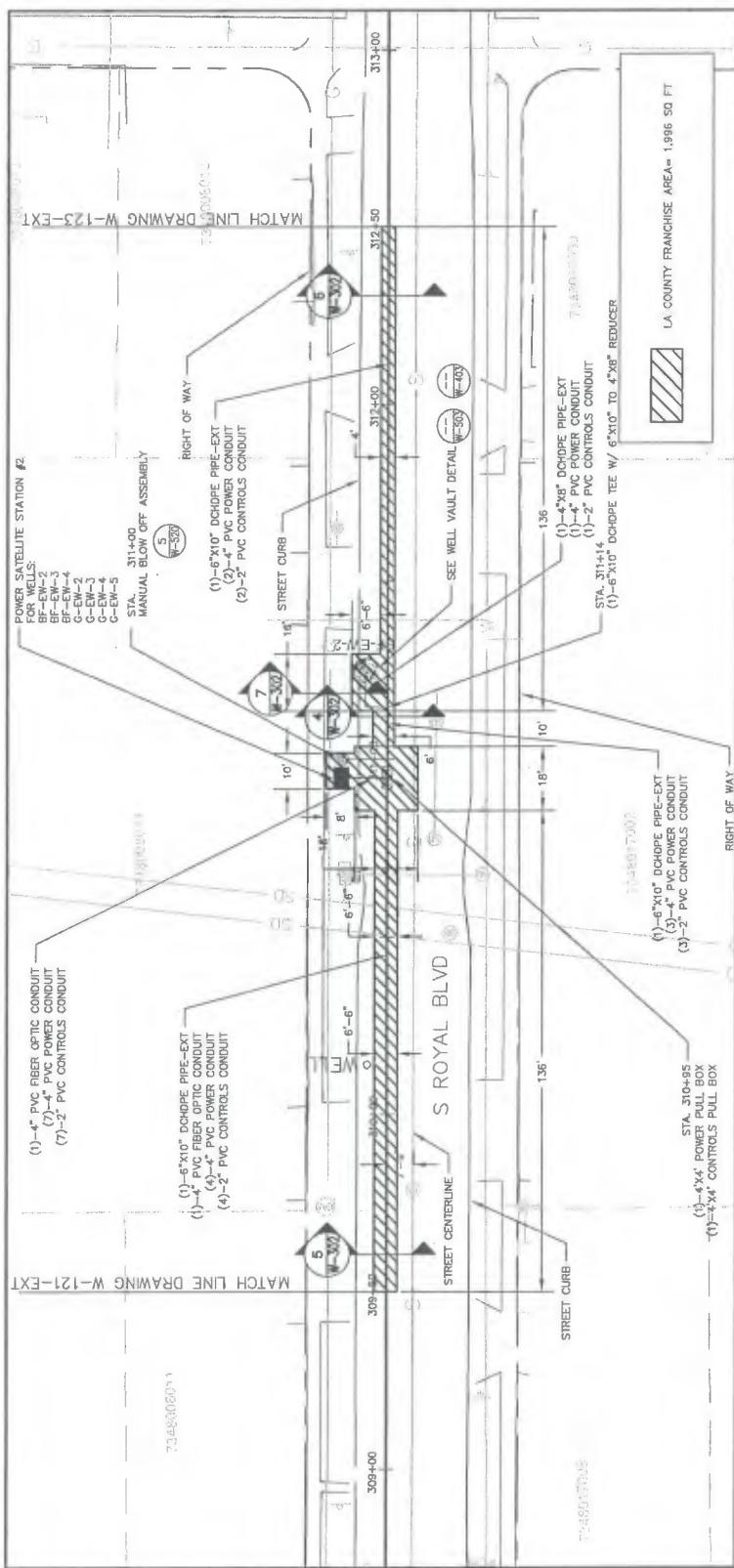


INDEX MAP

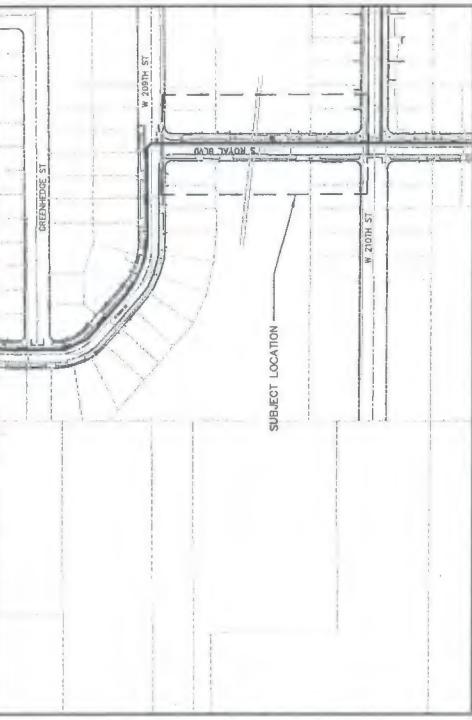
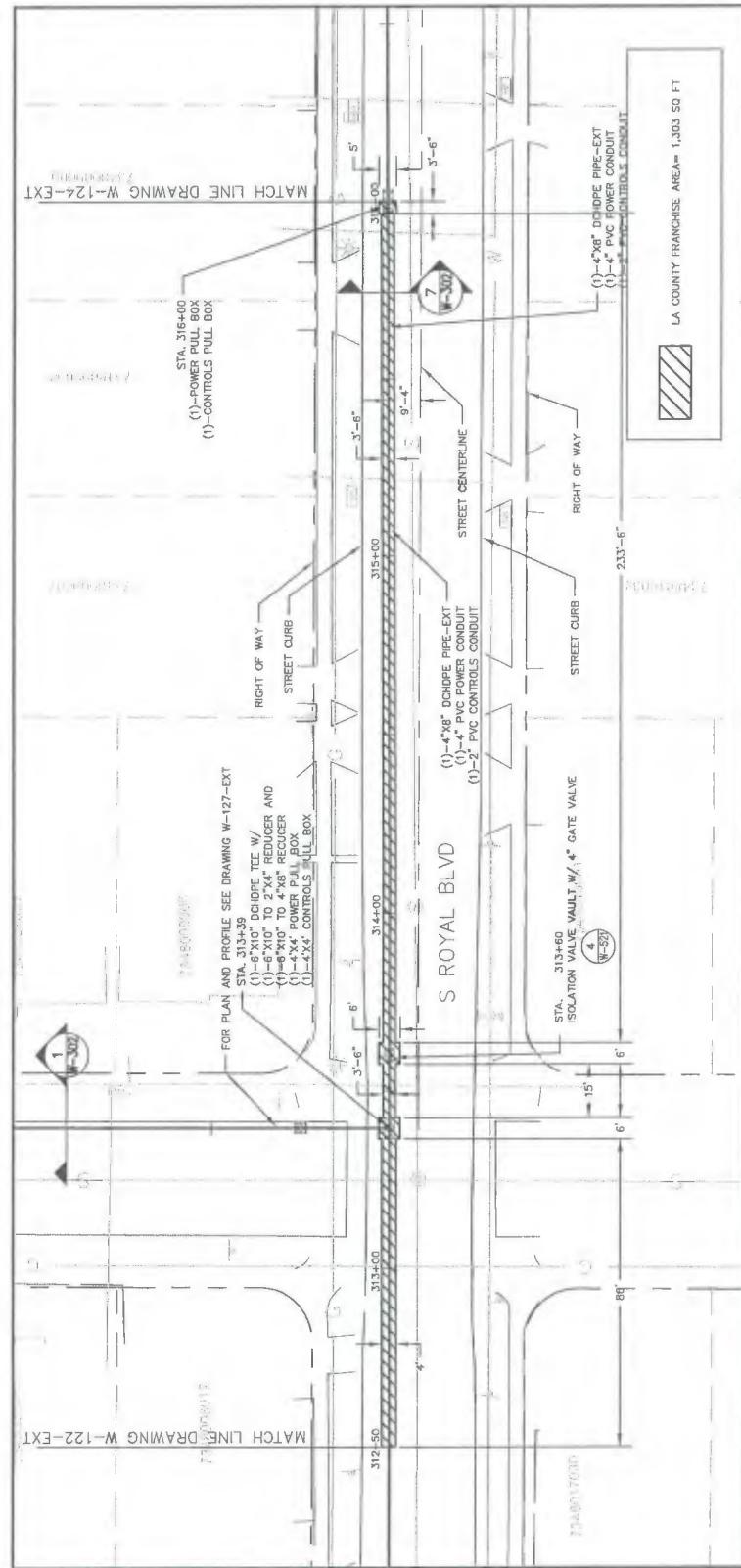
W-120-EXT 8 of 24



INDEX MAP



INDEX MAP



REV	DATE	DESCRIPTION	DRN	APP

AECOM

REFERENCE: GEOSYNTEC, FINAL EPA APPROVED
REVISION, DESIGN DRAWINGS
JUNE 13, 2012

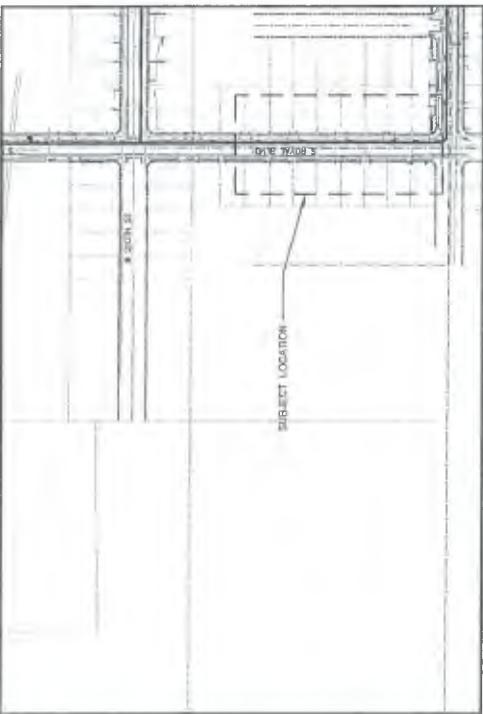
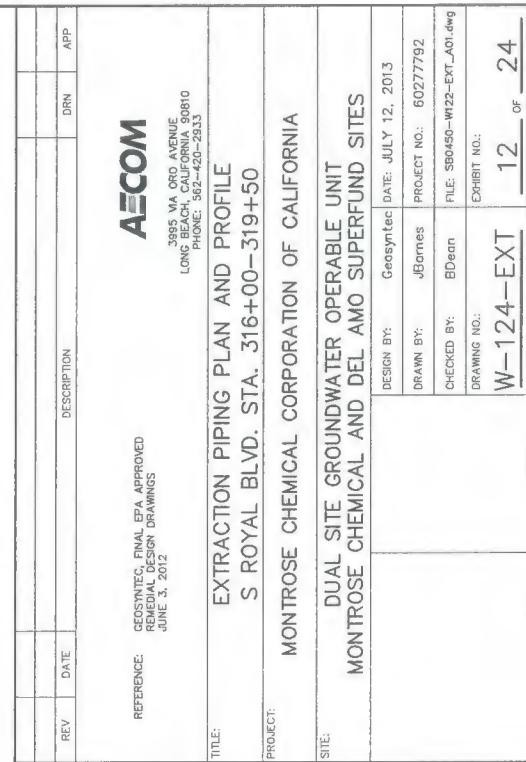
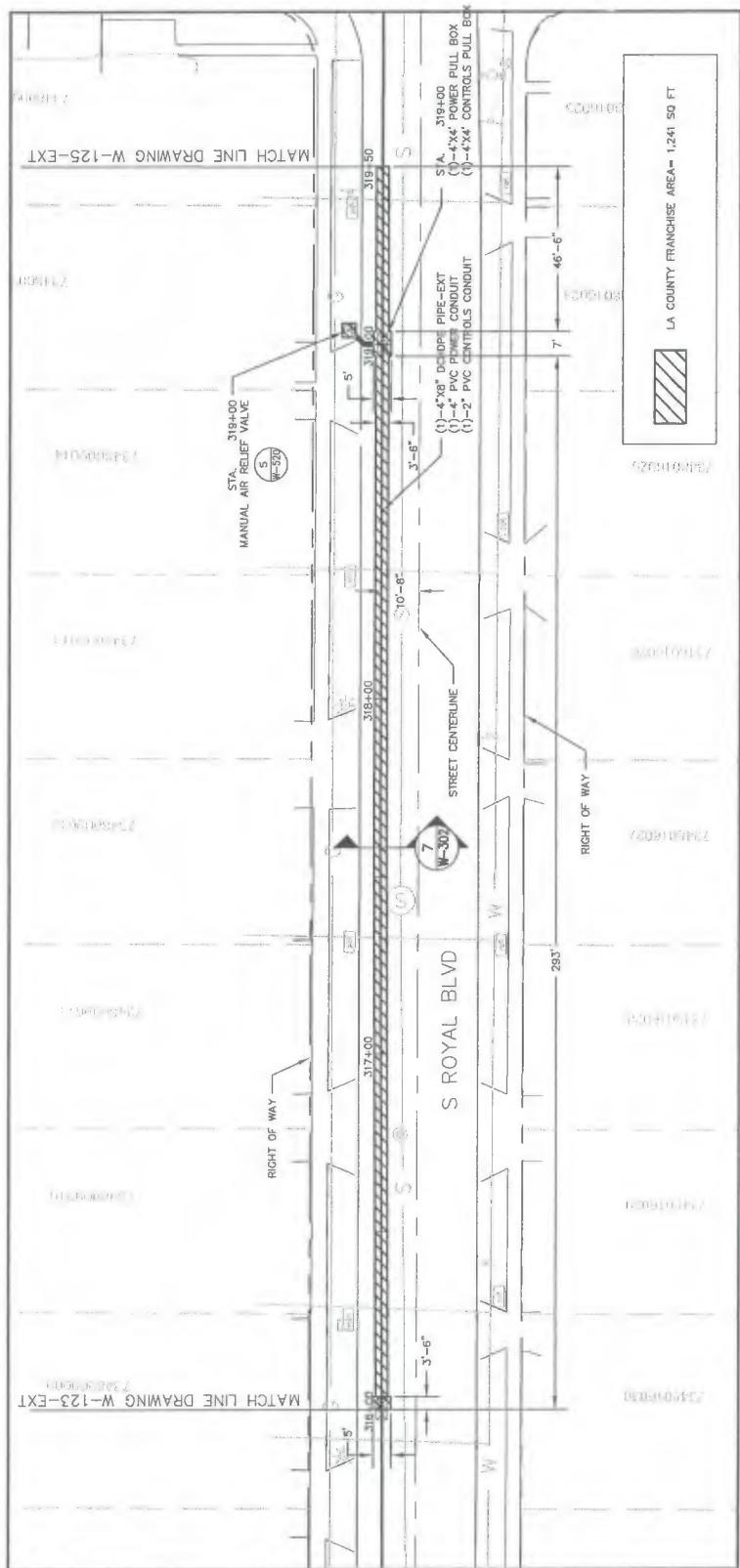
3995 MAIRD AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2915

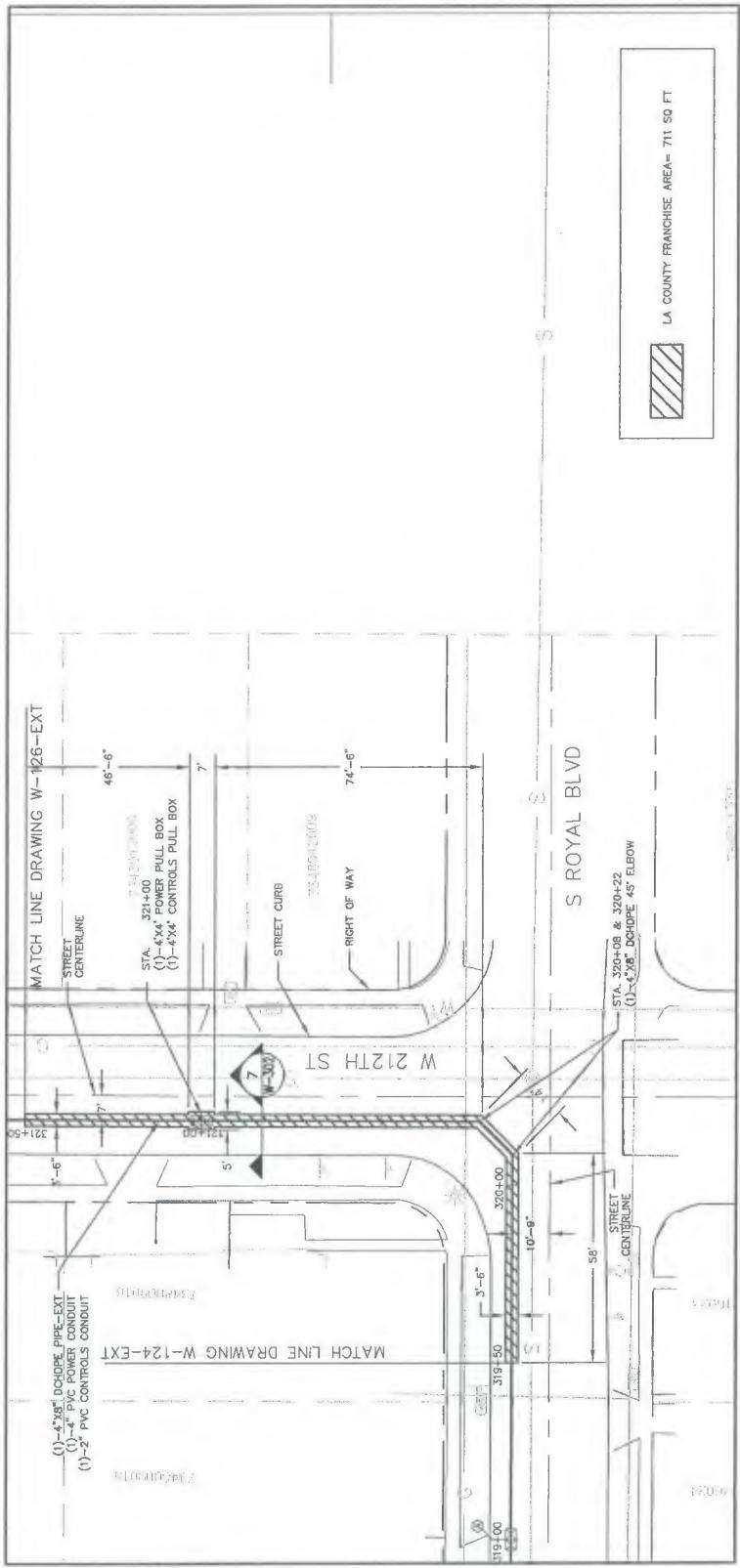
TITLE: EXTRACTION PIPING PLAN AND PROFILE
S ROYAL BLVD. STA. 312+50 - 316+00

PROJECT: MONROSE CHEMICAL CORPORATION OF CALIFORNIA

SITE: DUAL SITE GROUNDWATER OPERABLE UNIT
MONROSE CHEMICAL AND DEL AMO SUPERFUND SITES

DESIGN BY: Geosyntec DATE: JULY 12, 2013
DRAWN BY: J Barnes PROJECT NO.: 6027792
CHECKED BY: B Deem FILE: SB0450-W122-EXT-A01.dwg
DRAWING NO.: W-123-EXT EXHIBIT NO.: 11 OF 24





AECOM

3995 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

REV	DATE	DESCRIPTION	DRN	APP

REFERENCE:
GEOPONTEC, FINAL EPA APPROVED
BENEFICIAL USE STUDY REPORT
BENEFICIAL USE OF GULF REHAB.



REFERENCE: _____
GEOSYNTEC, FINAL EPA APPROVED
REMEDIAL DESIGN DRAWINGS
JUNE 3, 2012

3985 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

ID PROFILE

0-321+50

卷之三

OF CALIFORNIA

TABLE UNIT

SUPERFUND SITES

Geosyntec DATE: JULY 12, 20

卷之三

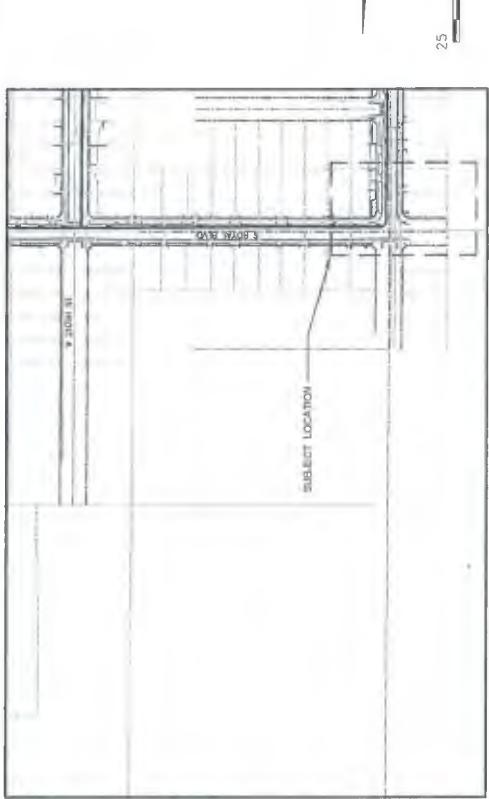
PROJECT No.: 6027

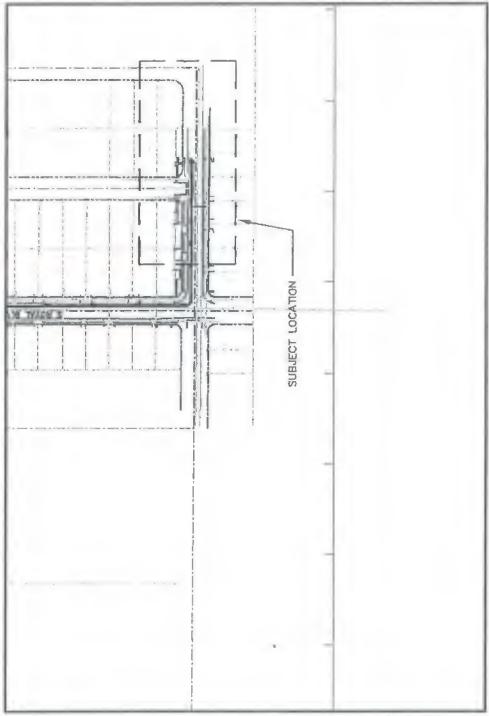
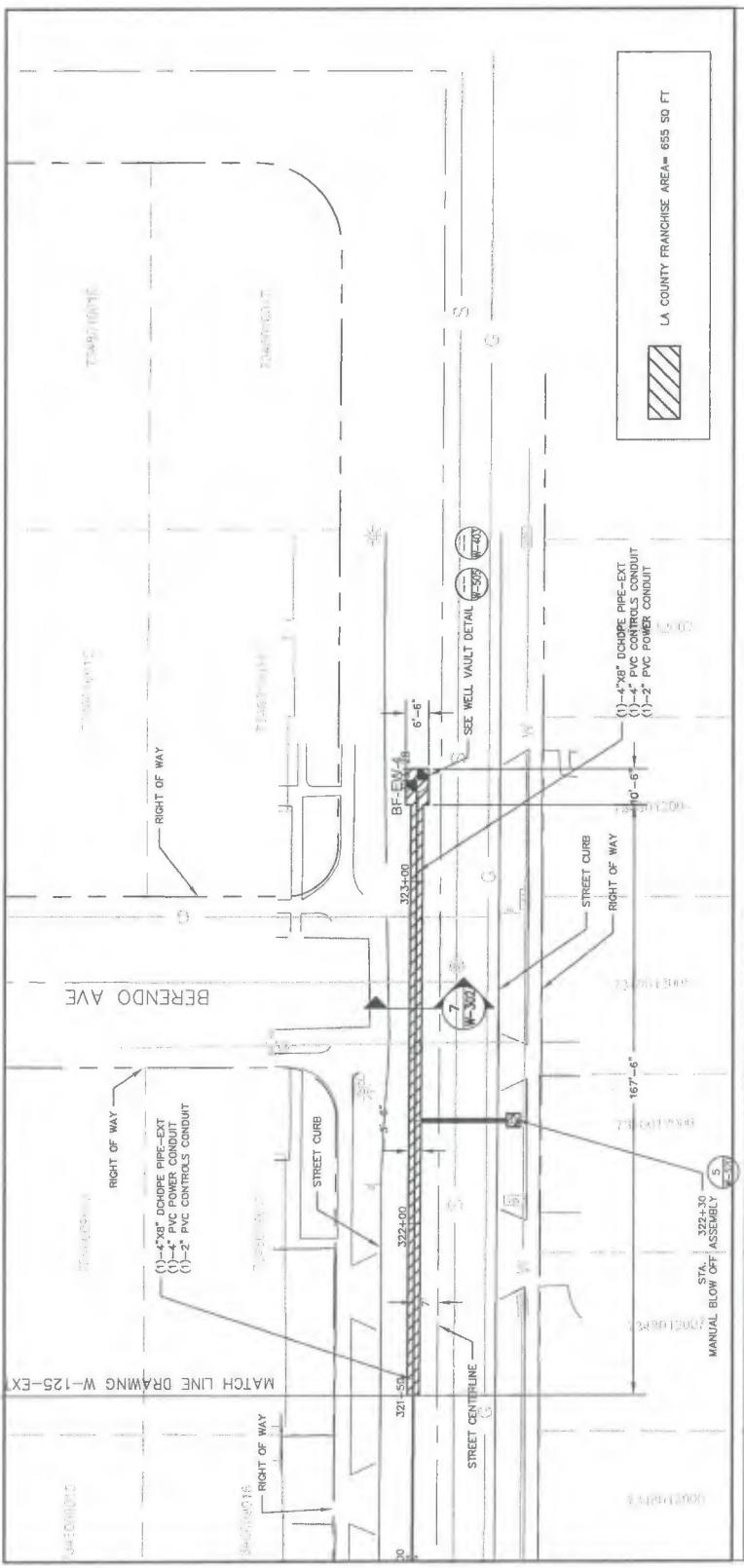
BDean
FILE: SB0450-W122-E

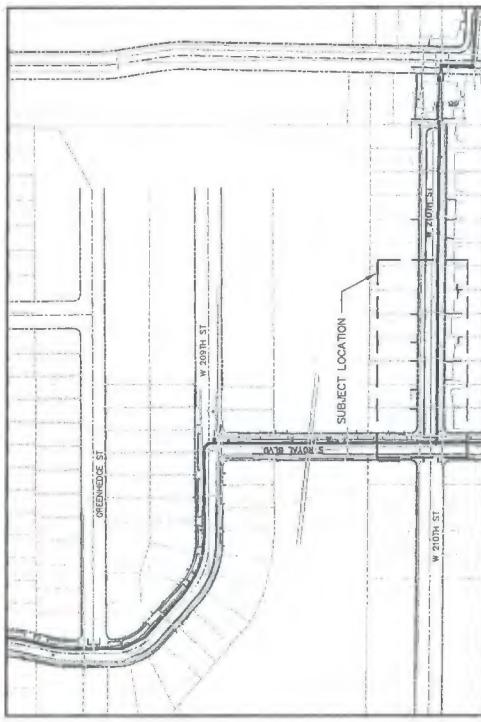
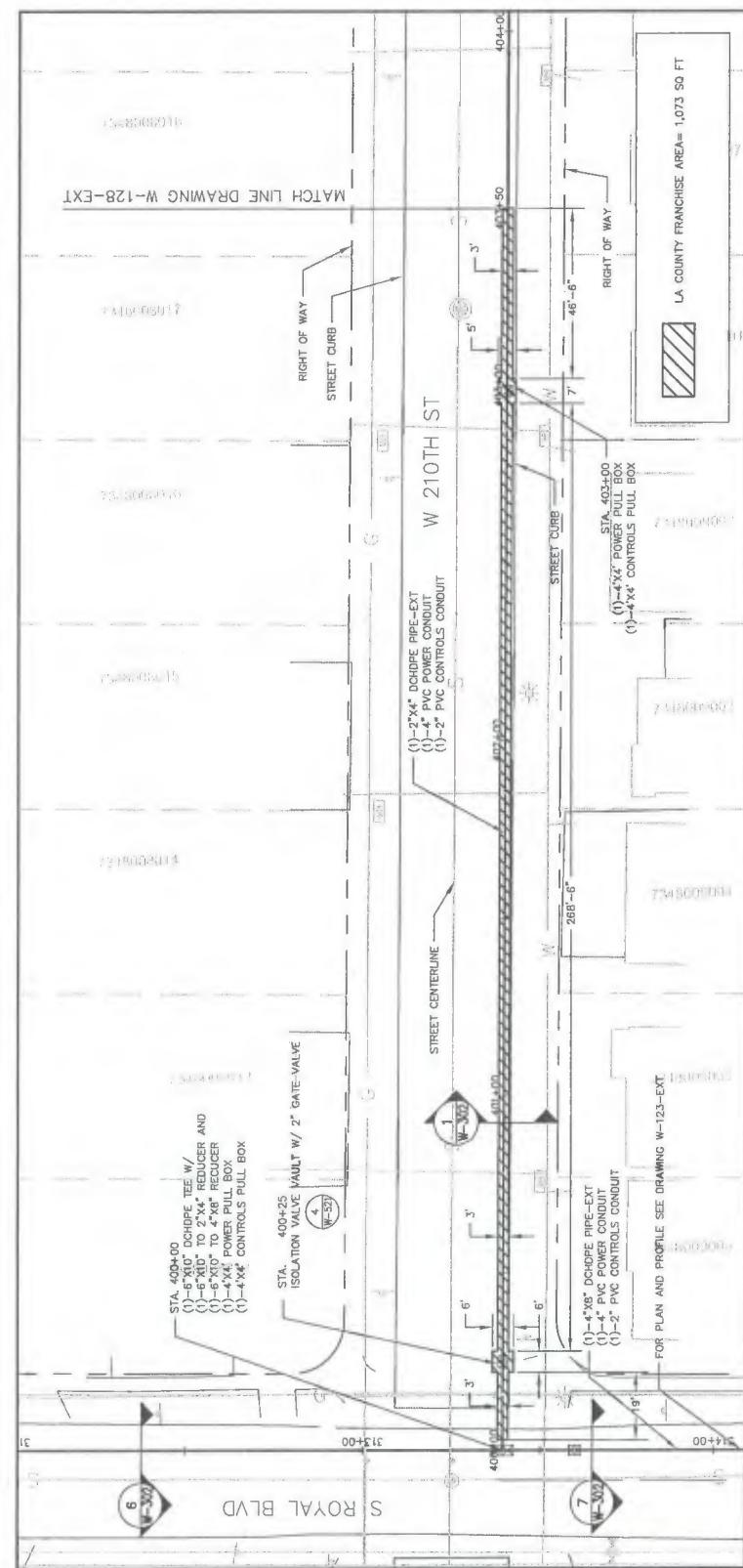
EXHIBIT NO.:

EVT 17

INDEX MAP







REV	DATE	DESCRIPTION	DRN	APP

AECOM

EXTRACTION PIPING PLAN
W 210TH ST. STA. 400+00-403+50

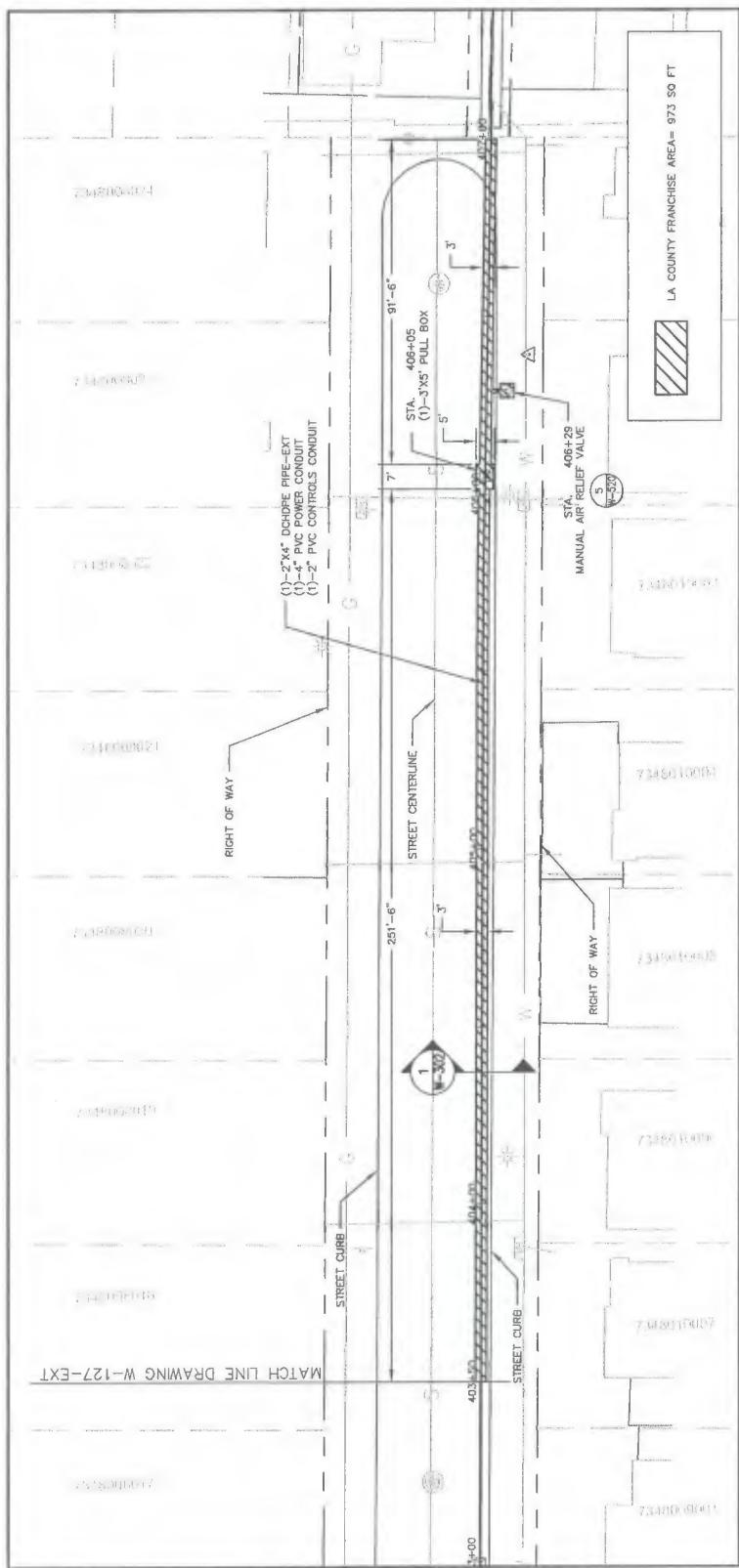
PROJECT: MONROSE CHEMICAL CORPORATION OF CALIFORNIA

SITE: MONROSE CHEMICAL AND DEL AMO SUPERFUND SITES

REFERENCE: GEOSYNTEC FINAL FRA APPROVED
REMEDIATION DESIGN DRAWINGS
JUNE 3, 2012

3985 VIA ORDO AVENUE 90610
LONG BEACH, CALIFORNIA 90610
PHONE: 562-440-2933

DESIGN BY: Geosyntec DATE: JULY 12, 2013
DRAWN BY: jBarnes PROJECT NO.: 60277792
CHECKED BY: BDean FILE#AD-SBD450-W127-EXT_A01.dwg
DRAWING NO.: EXHIBIT NO.:
W-127-EXT 15 OF 24



REV	DATE	DESCRIPTION	DRW	APP

AECOM

REFERENCE: GEOSYNTEC, FINAL EPA APPROVED
REMEDIAL DESIGN DRAWINGS
JUNE 3, 2012

TITLE: EXTRACTION PIPING PLAN
W 210TH ST. STA. 403+50-407+00

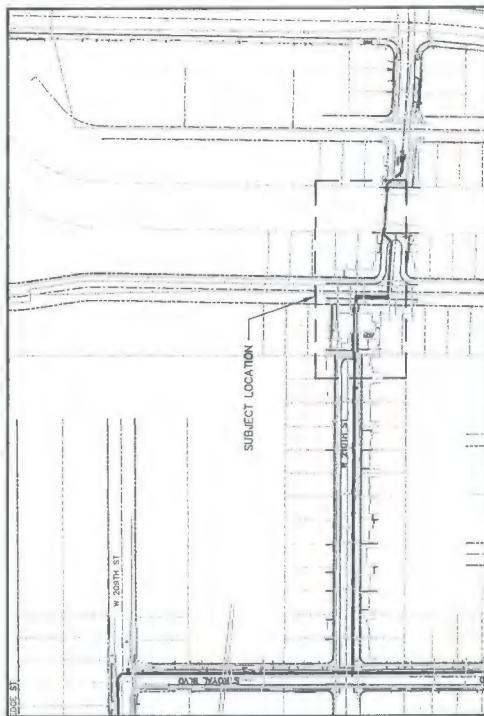
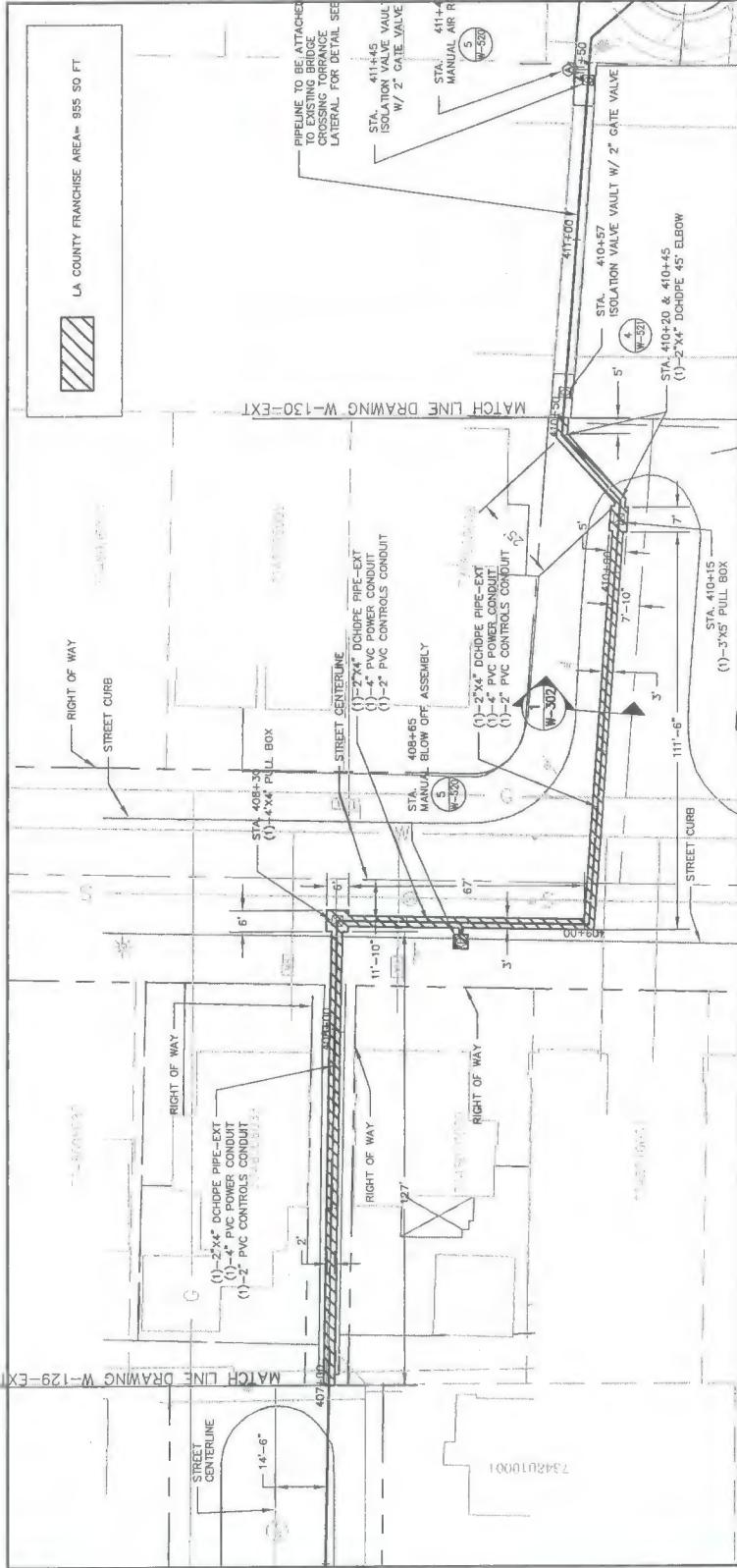
PROJECT: MONROSE CHEMICAL CORPORATION OF CALIFORNIA

SITE: DUAL SITE GROUNDWATER OPERABLE UNIT
MONROSE CHEMICAL AND DEL AMO SUPERFUND SITES

DESIGN BY: Geosyntec DATE: JULY 12, 2013
DRAWN BY: JBarres PROJECT NO.: 60277792
CHECKED BY: BDeon FILE NO.: FLSGAD-SB0450-W127-EXT_A01
DRAWING NO.: W-128-EXT EXHIBIT NO.: 16 of 24



INDEX MAP

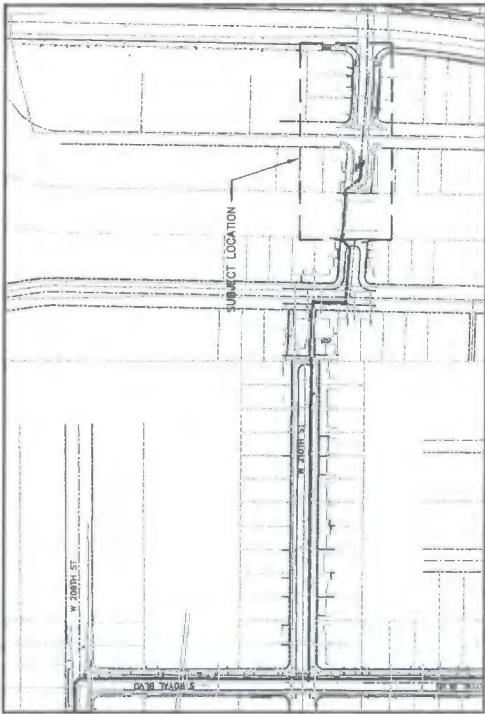
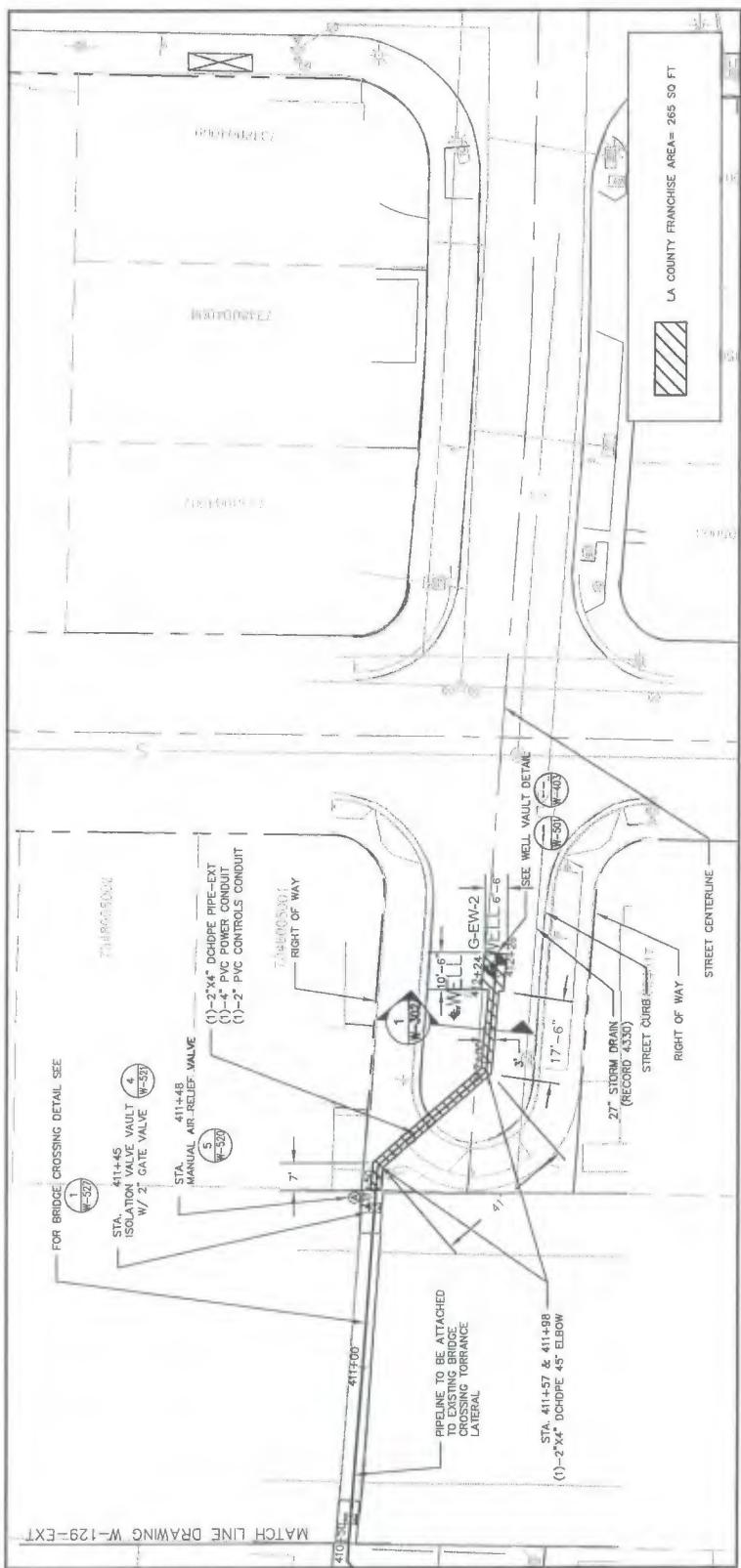


AEGON

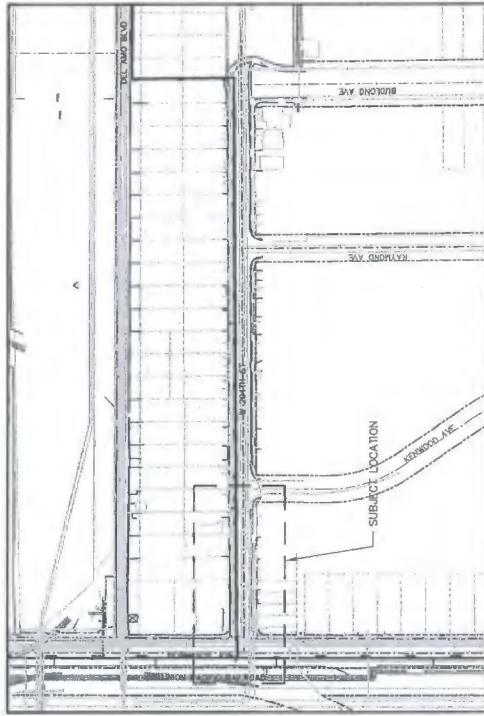
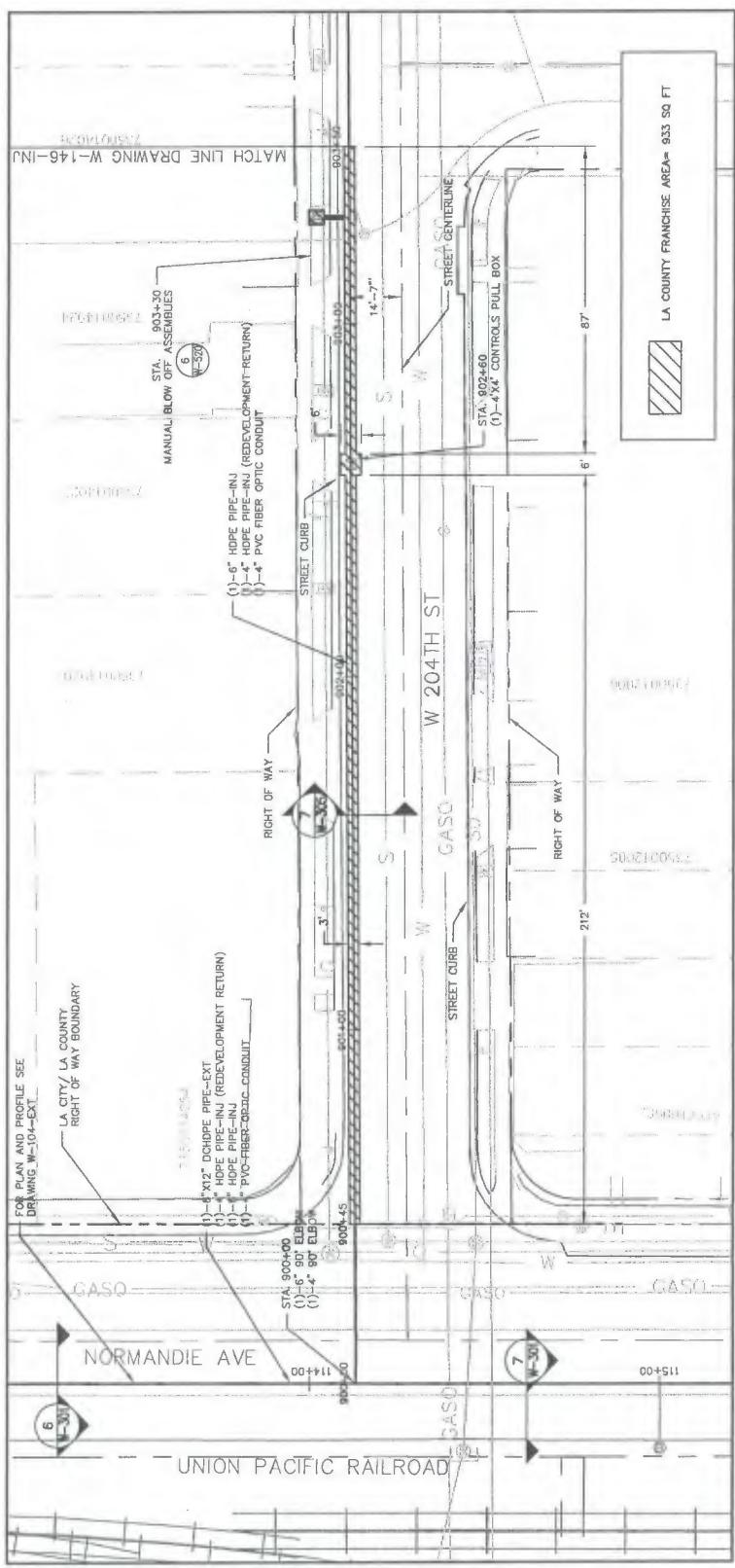
AICOM

TITLE: EXTRACTION PIPING PLAN		W 210TH ST. STA. 407+00-410+50	
PROJECT: MONTROSE CHEMICAL CORPORATION OF CALIFORNIA			
SITE: MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES	<p>DUAL SITE GROUNDWATER OPERABLE UNIT</p> <p>DESIGN BY: Geosyntec DATE: JULY 12, 2013</p> <p>DRAWN BY: J.Barnes PROJECT NO.: 60277792</p> <p>CHECKED BY: B.Dean FILE# CAD-SB045d-W1-27-EXT-A01.dwg</p>		

INDEX MAP

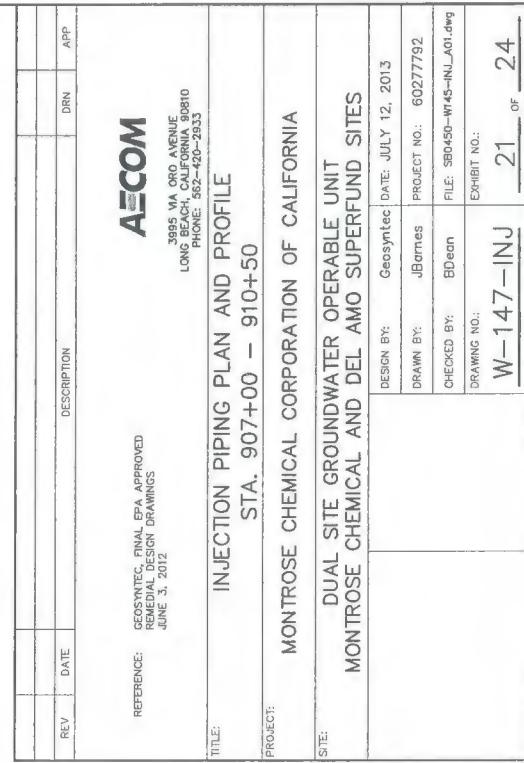
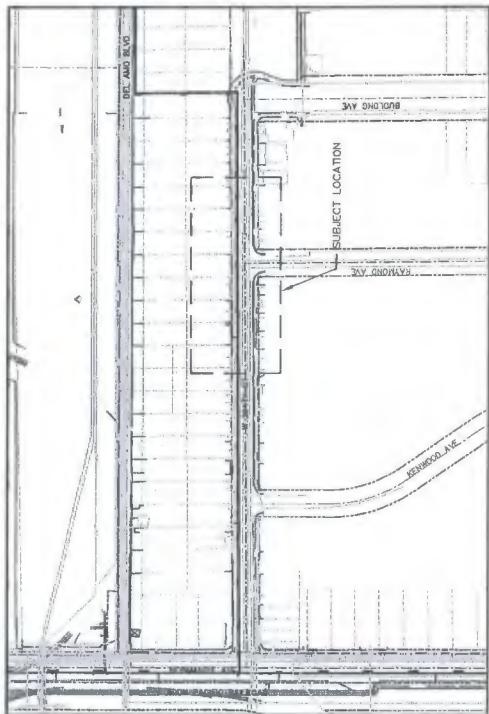
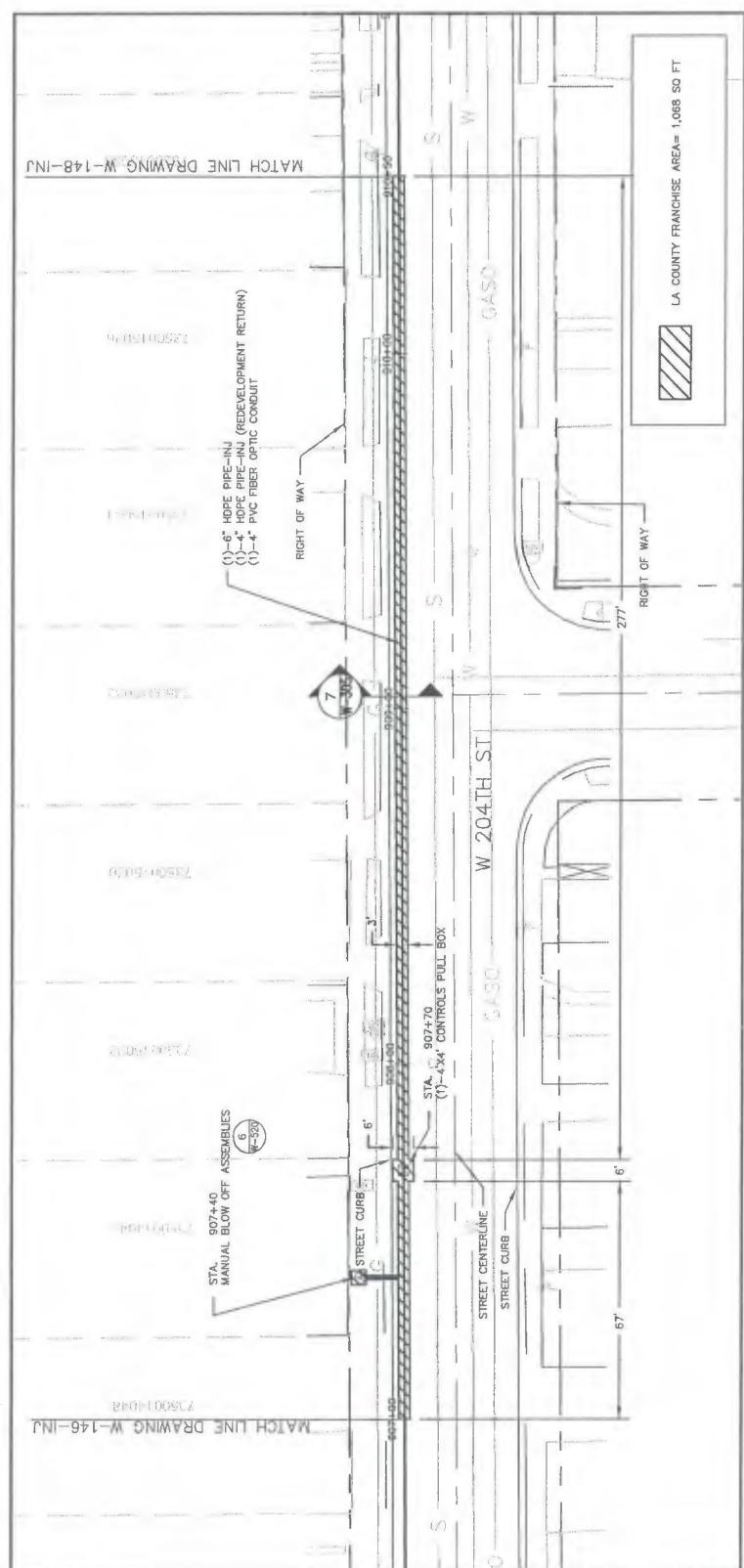


INDEX MAP

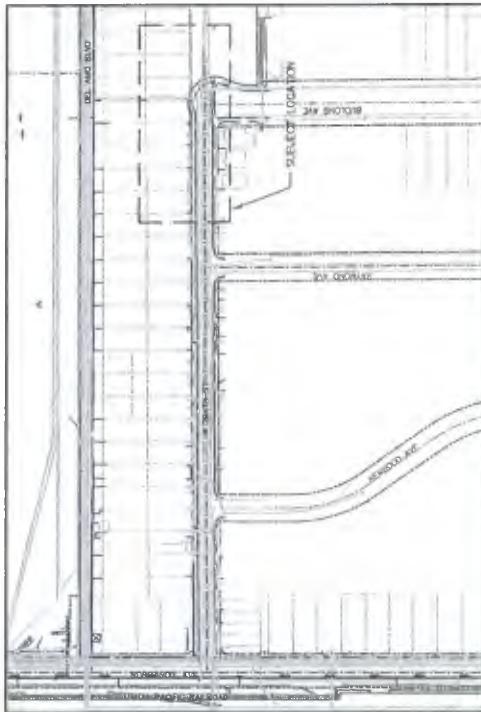
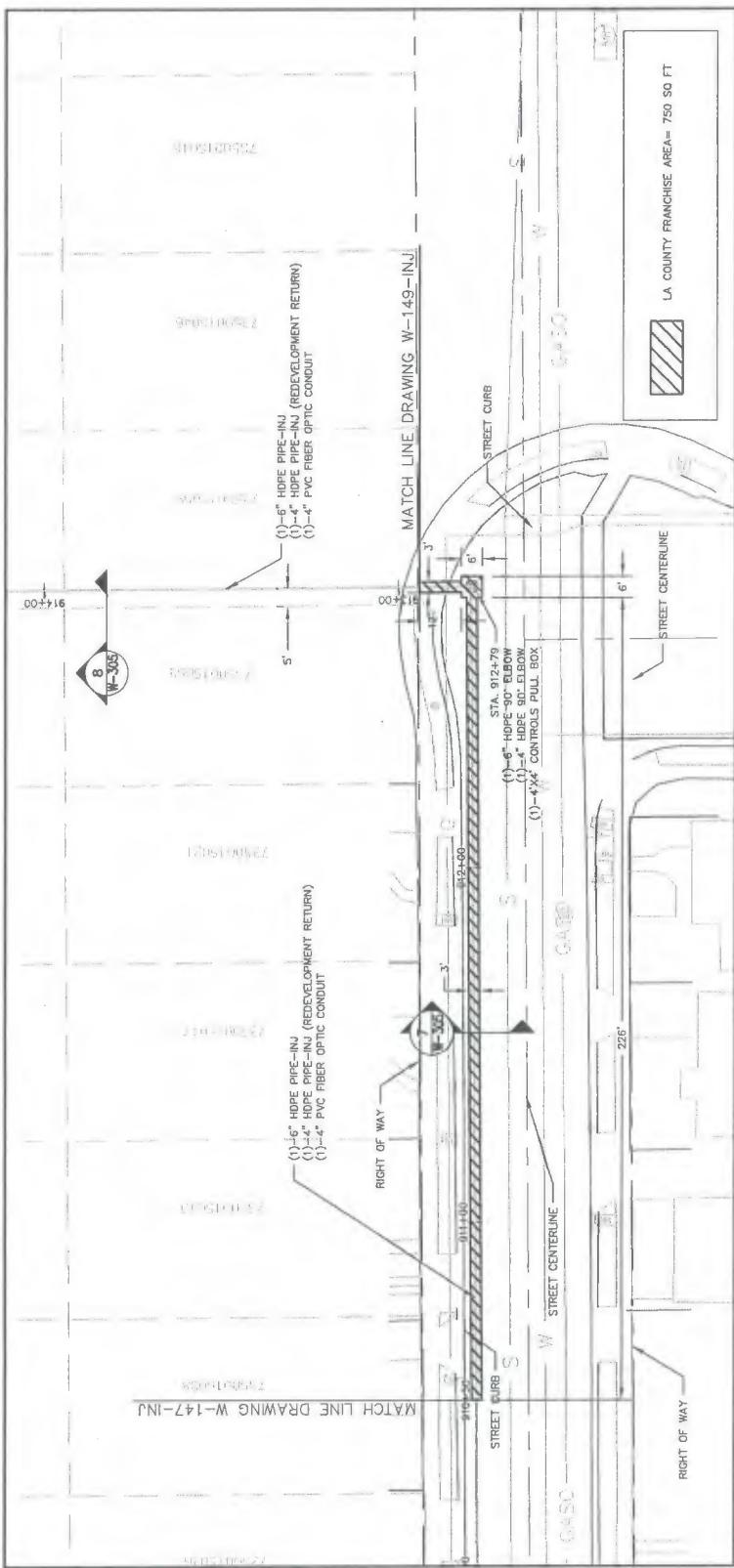


REV	DATE	DESCRIPTION	DRN	APP
AECOM				
REFERENCE: GEOPONTEC, FINAL EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012				
3985 VIA ORO AVENUE LONG BEACH, CALIFORNIA 90810 PHONE: 562-420-2935				
TITLE: INJECTION PIPING PLAN STA. 900+00 - 903+50		PROJECT: MONTROSE CHEMICAL CORPORATION OF CALIFORNIA		
SITE: MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES		DESIGN BY: Geosyntec DATE: JULY 12, 2013 DRAWN BY: JBarney PROJECT NO.: 60277792 CHECKED BY: BDean FILE: SBD-050-WH-5-INL_A01.dwg DRAWING NO.: W-145-INL EXHIBIT NO.: 19 of 24		

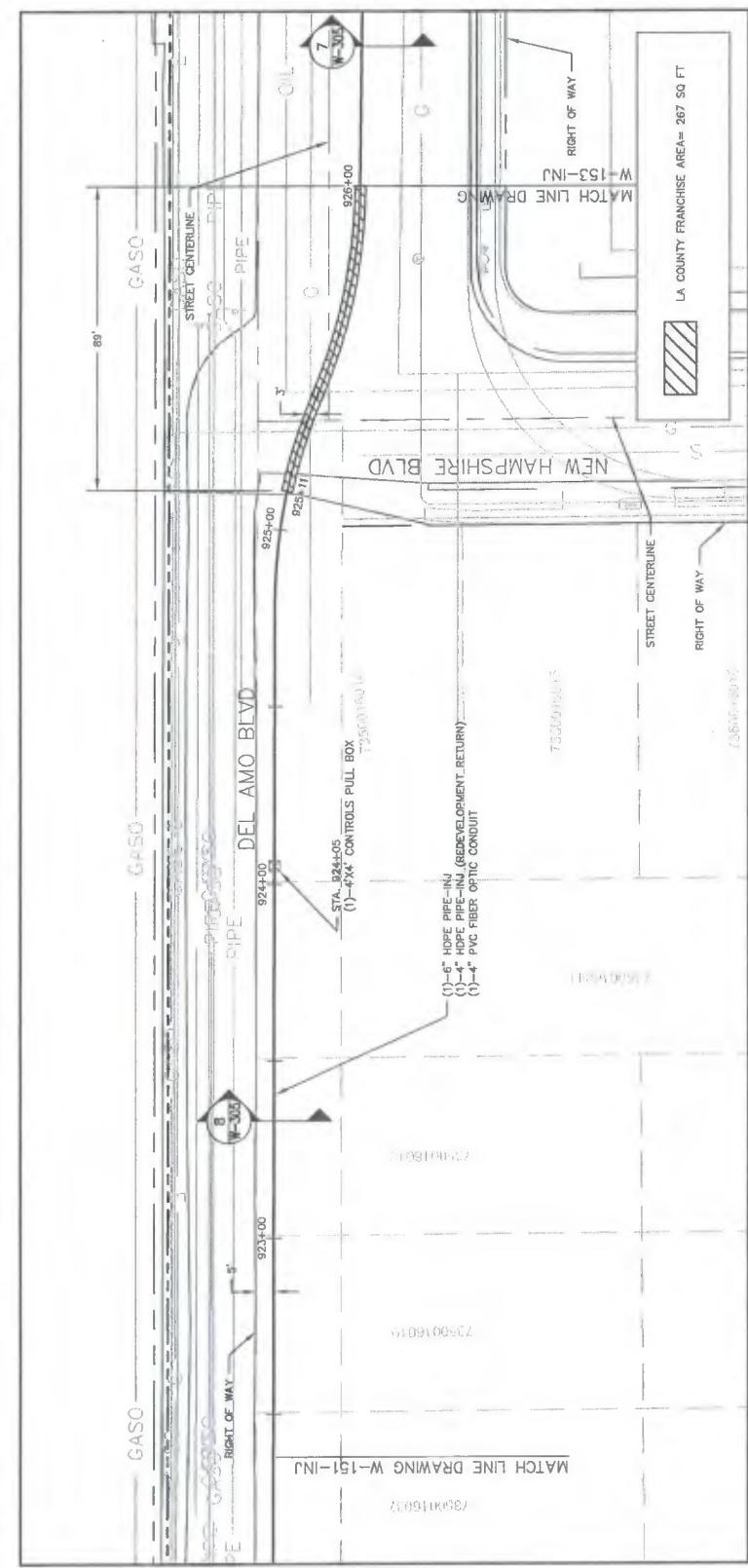
INDEX MAP



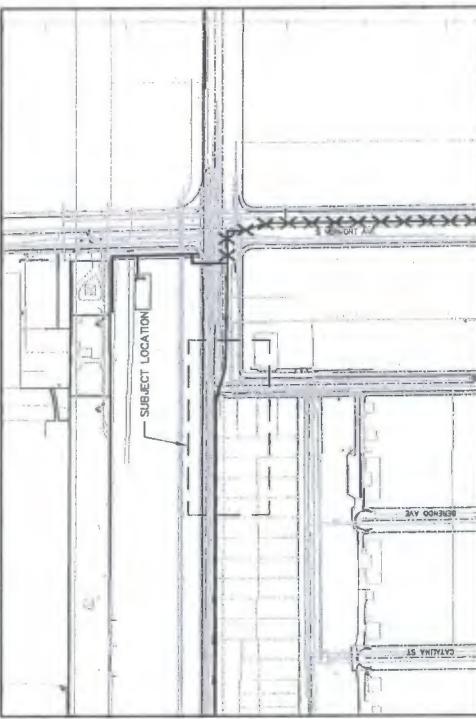
INDEX MAP



REV	DATE	DESCRIPTION	DRN	APP
 AECOM GEOSYNTEC, FINAL, EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012				
3895 VIA ORO AVENUE LONG BEACH, CALIFORNIA 90810 PHONE: 362-420-2935				
TITLE: INJECTION PIPING PLAN STA. 910+50 – 912+94		MONTROSE CHEMICAL CORPORATION OF CALIFORNIA		
PROJECT: MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES		DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES		
SITE:		DESIGN BY: Geosyntec	DATE: JULY 12, 2013	
		DRAWN BY: jBarnes	PROJECT NO.: 60277792	
		CHECKED BY: BDean	FILE: SF0450--INJ_A01.dwg	
				EXHIBIT NO.: W-148-INJ



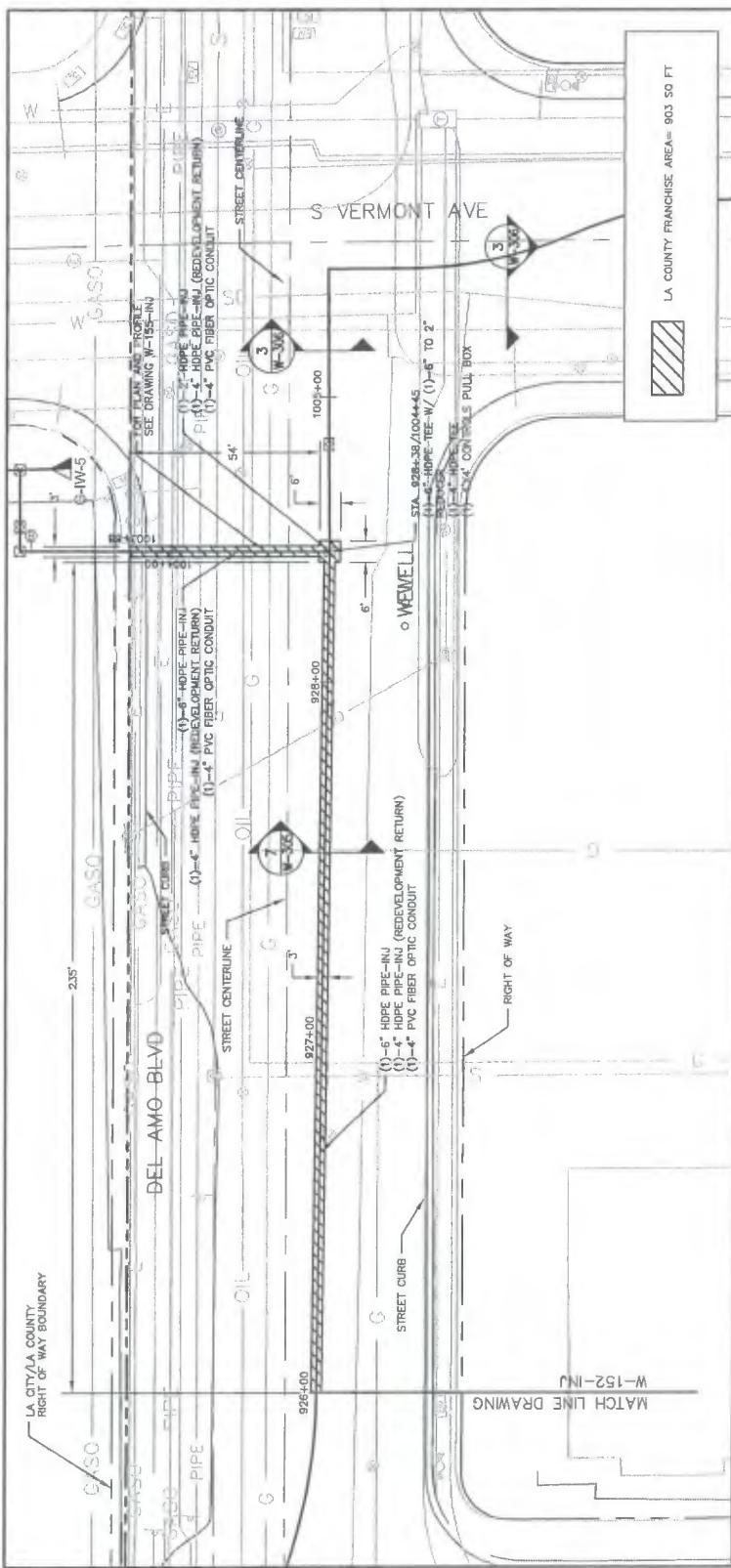
			REV	DATE	DESCRIPTION	DRN	APP
AECOM	GEOSYNTEC	REFERENCE:			GEOSYNTEC, FINAL EPA APPROVED JUNE 3, 2013		
PROJECT:	INJECTION PIPING PLAN AND PROFILE	TIME:					
SITE:	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA						
	DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES						



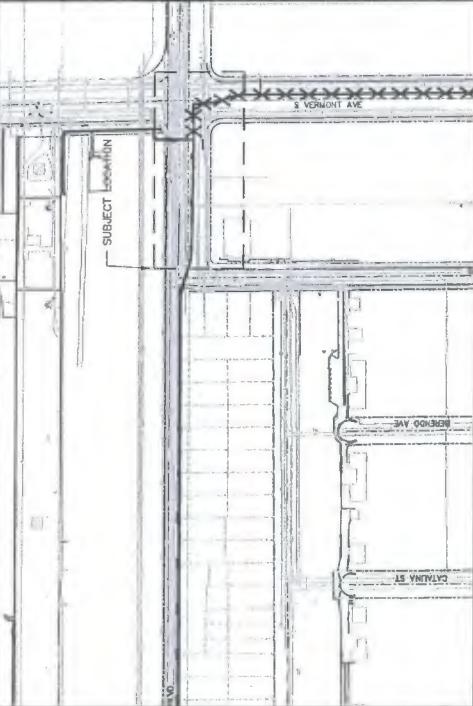
INDEX MAP

25 0 25 50
SCALE IN FEET

W-152-INL 23 of 24



REV	DATE	DESCRIPTION	DRN	APP
REFERENCE:	GEOPONTEC, FINAL EPA APPROVED REMEDIATION DESIGN DRAWINGS JULY 3, 2012			
TITLE:	INJECTION PIPING PLAN AND PROFILE			
PROJECT:	STA. 926+00 - 928+38, 1003+88 - 1004+45			
SITE:	DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES			
	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA		Geosyntec DATE: JULY 12, 2013	
			DRAWN BY: dBarnes	PROJECT NO.: 60277792
			CHECKED BY: BDearn	FILE: SR0450-WH45-INJ_A01.dwg
			DRAWING NO.: W-153-INJ	EXHIBIT NO.: 24 OF 24



INDEX MAP

EXHIBIT B

Pursuant to Section 4, Security/Bond, of this franchise ordinance, in order to relieve Montrose Chemical Corporation of California ("Montrose") of the obligation of maintaining a bond, conditions and requirements substantially the same as the following must be included in the Operations and Maintenance Consent Decree ("Consent Decree") or Statement of Work attached thereto ("SOW"):

1. **Compliance with Franchise and Lease:** To the extent that elements of work required under this SOW occur within rights-of-way controlled by the County of Los Angeles (the "County"), Montrose shall comply with the requirements of the Franchise granted to Montrose on [Date]. To the extent that elements of work required under this SOW occur on property controlled by the Los Angeles County Flood Control District (the "District"), Montrose shall comply with the requirements of the Lease entered into between Montrose and the District on [Date].

2. **Pipeline Abandonment/Removal Work Plan:** At the termination or expiration of the Franchise, or at such time that the Environmental Protection Agency ("EPA") provides written notification that access to County rights-of-way is no longer necessary to conduct the elements of work required by this SOW, Montrose or other Work Group 1 defendant named in the Consent Decree shall remove or abandon the facilities in County rights-of-way as directed by County at their expense in accordance with all then existing abandonment and/or removal

procedures required by the County for pipelines and wells in County rights-of-way. At the termination or expiration of the Lease, or at such time that the EPA provides written notification that access to property controlled by the District is no longer necessary to conduct the elements of work required by this SOW, Montrose or other Work Group 1 defendant named in the Consent Decree shall remove or abandon the facilities within District's property at their expense as directed by District in accordance with all then existing abandonment and/or removal procedures required by District for pipelines and wells on District property.

The removal or abandonment must be completed in accordance with a Work Plan approved by the County and/or District documenting the following:

- the anticipated schedule for abandonment/removal
- traffic control and public protection procedures, if applicable
- a description of waste handling procedures and sampling to be performed, if any; and
- other pertinent information regarding the specific field activity.

Exhibit C

Pursuant to Section 3, Indemnification and Insurance, of this franchise ordinance, in order to relieve Montrose Chemical Corporation of California (Montrose) of the obligation of maintaining the Environmental Impairment Liability Insurance, requirements substantially the same as the following must be included in an agreement such as an Operations and Maintenance Consent Decree (Consent Decree) or Statement of Work attached thereto (SOW):

Upon the occurrence of any event during performance of any work performed pursuant to the SOW (Work) that Montrose or other Work Group 1 defendant named in the Consent Decree (collectively Settling Defendants) are required to report pursuant to Section 103 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9603, or Section 304 of the Emergency Planning and Community Right-to-know Act (EPCRA), 42 U.S.C. 11004, Settling Defendants shall within 24 hours of the onset of such event orally notify the EPA Project Coordinator or the Alternate EPA Project Coordinator (in the event of the unavailability of the EPA Project Coordinator) or, in the event that neither the EPA Project Coordinator nor Alternate EPA Project Coordinator is available, the Emergency Response Section, Region 9, United States Environmental Protection Agency. These reporting requirements are in addition to the reporting required by CERCLA Section 103 or EPCRA Section 304.

If any action or occurrence during the performance of the Work that causes or threatens a release of Waste Material (as that term is defined in the Consent Decree) from the site that is the subject of the Consent Decree (Site) that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, Settling Defendants shall, subject to Paragraph (the paragraph immediately after this paragraph), immediately take all appropriate action to prevent, abate, or minimize such release or threat of release, and shall immediately notify the EPA's Project Coordinator or, if the Project Coordinator is unavailable, the EPA's Alternate Project Coordinator. If neither of these persons is available, Settling Defendants shall notify the EPA (Emergency Response Unit), Region 9. Settling Defendants shall take such actions in consultation with EPA's Project Coordinator or other available authorized EPA officer and in accordance with all applicable provisions of the Health and Safety Plans, the Contingency Plans, and any other applicable plans or documents developed pursuant to the SOW. In the event that Settling Defendants fail to take appropriate response action as required by this Section, and EPA (or, as appropriate, the State) take(s) such action instead, Settling Defendants shall reimburse the EPA (and the State) all costs of the response action under Section (Payments for Response Costs).

Subject to Section (Covenants by Plaintiff(s), nothing in the preceding Paragraph or in this Consent Decree shall be deemed to limit

any authority of the United States, (or the State), (a) to take all appropriate action to protect human health and the environment or to prevent, abate, respond to, or minimize an actual or threatened release of Waste Material on, at, or from the Site, or (b) to direct or order such action or seek an order from the Court to protect human health and the environment or to prevent, abate, respond to, or minimize an actual or threatened release of Waste Material on, at, or from the Site.

OM:mr

P:\MPPUB\ADMIN\MARIA\MONTROSE EXHIBIT B3.DOC

ENCLOSURE C

FILE WITH:
Lease Agreement No. _____
Project/Stream: Private Drain No. 181
Thomas Brother Page and Grid No.: 764 (B5)

LEASE AGREEMENT

Dated as of _____

By and between

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

and

MONTROSE CHEMICAL CORPORATION OF CALIFORNIA

TABLE OF CONTENTS

LEASE AGREEMENT	1
ARTICLE 1. DESCRIPTION AND ACCEPTANCE OF PREMISES	1
A. Description.....	1
B. Acceptance.....	1
ARTICLE 2. USE	2
A. Description.....	2
B. Interference with Flood Control.....	2
ARTICLE 3. LEASE TERM.....	2
A. Term	2
B. Option to Extend.....	3
C. Cancellation.....	3
ARTICLE 4. RENT	4
A. Rent	4
B. Late Fees.....	4
C. Net Lease	4
D. Proration	4
ARTICLE 5. SITE ASSESSMENT [NOT APPLICABLE]	5
ARTICLE 6. SECURITY DEPOSIT [NOT APPLICABLE].....	5
ARTICLE 7. FLOOD CONTROL, WATER CONSERVATION AND WATERSHED MANAGEMENT PRIORITY	5
A. Priority of Premises	5
ARTICLE 8. CONSTRUCTION AND ALTERATION	6
A. LESSEE's Right to Construct and Alter	6
B. Approval by DISTRICT As to Compatibility.....	7
C. Responsibility of LESSEE to Obtain Permits.....	7
D. Incorporation of Permit by Reference	7
E. Loading and Materials Stockpiling Limitations	8
ARTICLE 9. OWNERSHIP AND DISPOSITION OF IMPROVEMENTS.....	8
A. Ownership	8
B. Termination and Removal.....	8
ARTICLE 10. SECURITY/BONDS	9
A. Security Requirements/Faithful Performance Bond	9
B. Alternative Security	10
C. Adjustments.....	10
D. Lease Operations	10
ARTICLE 11. REPAIRS AND MAINTENANCE	11
A. LESSEE Responsible for Repairs and Maintenance	11
B. Emergency Conditions	12
C. Approvals by DISTRICT	12
ARTICLE 12. TAXES AND ASSESSMENTS	13
A. Payment of Taxes	13
B. Fees.....	13

TABLE OF CONTENTS

(continued)

C.	Payment by DISTRICT	13
D.	Commencement and Expiration	14
ARTICLE 13.	LIENS AND CLAIMS	14
ARTICLE 14.	INDEMNITY AND INSURANCE.....	15
A.	Indemnity	15
B.	Insurance	16
C.	Uninsured Casualty.....	21
D.	Effect of Destruction.....	21
ARTICLE 15.	TRANSFERS AND ASSIGNMENTS	21
A.	Conditions for Assignment.....	22
B.	Procedure for Assignment	23
ARTICLE 16.	NO SUBORDINATION	24
ARTICLE 17.	RIGHT TO HYPOTHECATE LEASEHOLD	24
ARTICLE 18.	BANKRUPTCY OR INSOLVENCY	24
A.	Breach.....	24
B.	LEASE Termination	24
ARTICLE 19.	CONDEMNATION.....	24
A.	Total Take.....	24
B.	Partial Take	25
C.	Temporary Take [[NB: HOW IS TEMPORARY DEFINED?]]	26
D.	Applicability of Article.....	26
ARTICLE 20.	DEFAULT	26
ARTICLE 21.	REMEDIES FOR DEFAULT	27
A.	DISTRICT Rights Arising from LESSEE Default.....	27
B.	Rent Due and Rights Not Waived In Event of Default.....	28
ARTICLE 22.	SALE OF THE PREMISES BY DISTRICT	28
ARTICLE 23.	HAZARDOUS SUBSTANCES	28
A.	Definition	28
B.	Warranties and Representations	29
C.	Notice	29
D.	Damage/Spillage	29
E.	Indemnity	30
F.	Default	30
G.	Survival	30
ARTICLE 24.	ESTOPPEL CERTIFICATES.....	31
ARTICLE 25.	JOINDER IN INSTRUMENTS; LOT SPLIT, ZONING	31
ARTICLE 26.	EXCUSABLE DELAYS	31
ARTICLE 27.	NON DISCRIMINATION.....	31
A.	Use of The Premises	31
B.	Employees	32
C.	Subcontractors.....	32
D.	Records.....	32
E.	Breach.....	32

TABLE OF CONTENTS

(continued)

ARTICLE 28. QUIET ENJOYMENT	32
ARTICLE 29. RESERVATIONS	33
A. Reservation to Use of The Premises	33
B. Right of Entry for Inspection, Emergencies, etc.	33
ARTICLE 30. WARRANTIES	34
A. No Warranty of Title.....	34
B. No Warranty of Soil.....	34
C. No Warranty of Use	34
ARTICLE 31. OPERATIONS AND SUPERVISION.....	34
A. Operations.....	34
B. Supervision by LESSEE.....	35
ARTICLE 32. MISCELLANEOUS	35
A. Notices	35
B. Waiver	36
C. Holding Over	36
D. LEASE Binding Upon Successors and Assigns.....	36
E. Covenants	36
F. Negation of Partnership	37
G. Quitclaim	37
H. Number and Inclusion, Joint and Several	37
I. Headings and Titles	37
J. Compliance with Governmental Regulations.....	37
K. Ineligibility for Relocation Assistance.....	38
L. Storage of Materials.....	38
M. Entire LEASE	38
N. Time of Essence.....	38
O. Claims and Protest.....	38
P. Monetary Obligations as Rent.....	39
Q. Savings Clause.....	39
R. Protection of The Premises	39
S. Authority to Enter LEASE.....	39
T. Laws	39
ARTICLE 33. RECORDATION OF LEASE.....	39
ARTICLE 34. COUNTY LOBBYIST	40
ARTICLE 35. DECLARATION OF KNOWLEDGE BY LESSEE	40
ARTICLE 36. DEFINITIONS	40
ACKNOWLEDGMENTS.....	41
EXHIBIT A 44	
EXHIBIT B 45	
EXHIBIT C 46	
MEMORANDUM OF LEASE	

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter referred to as "LEASE") is entered into and is effective this _____ day of _____, 2013, by and between the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as "DISTRICT"), and MONTROSE CHEMICAL CORPORATION OF CALIFORNIA, a Delaware corporation (hereinafter referred to as "LESSEE").

RECITALS

WHEREAS, DISTRICT holds fee title to the properties known as Private Drain No. 181 (hereinafter referred to as "PD 181") and Footbridge over Storm Drain Channel (PD 181) at Javelin Street (hereinafter referred to as "County Bridge 1291"), located at Javelin Street in the unincorporated area of the County of Los Angeles known as Torrance, State of California; and

WHEREAS, LESSEE is required by the U.S. Environmental Protection Agency ("EPA") to construct and operate a groundwater treatment system to remediate contaminated groundwater in the unincorporated area of the County of Los Angeles ("Groundwater Treatment System" or "GWTS") for a period of fifty (50) years. The GWTS will comprise a series of pipelines and associated infrastructure to transport water between LESSEE's groundwater treatment plant and a series of extraction and injection wells; and

WHEREAS, LESSEE desires to lease a portion of the PD 181 and County Bridge 1291 for the construction, operation, and maintenance of a three (3) inch by six (6) inch double-contained extraction pipeline and a four (4) inch PVC controls conduit, which property is more particularly shown in Exhibit A, attached hereto (hereinafter referred to as the "Premises"); and

WHEREAS, LESSEE desires to lease the Premises under the terms and conditions set forth in this LEASE;

NOW THEREFORE in consideration of the covenants and conditions set forth herein, DISTRICT and LESSEE agree as follows:

ARTICLE 1. DESCRIPTION AND ACCEPTANCE OF PREMISES

A. Description

DISTRICT leases to LESSEE and LESSEE leases and hires from DISTRICT, the Premises under the terms and conditions herein below.

B. Acceptance

LESSEE accepts the Premises in the condition existing as of the date this

LEASE is executed by DISTRICT's Chief Engineer or its designee, subject to all matters of record.

ARTICLE 2. USE

A. Description

LESSEE has the right to construct, reconstruct, repair, improve, maintain and operate an extraction pipeline and a controls conduit for groundwater remediation purposes (hereinafter referred to as "LESSEE IMPROVEMENTS") on the Premises, provided that the construction shall not be done or commenced until the plans and specifications for such construction or reconstruction shall have first been submitted to and been approved in writing by the Chief Engineer of the DISTRICT.

LESSEE acknowledges that neither DISTRICT nor DISTRICT's agent has made any representation or warranty as to the present or future suitability of the Premises for LESSEE's proposed use or the conduct of LESSEE's business. LESSEE hereby, further acknowledges that the proposed LESSEE IMPROVEMENTS are solely for the benefit and convenience of LESSEE, and are not requirements by DISTRICT or any nature whatsoever, to allow LESSEE to comply with zoning or building laws or requirements.

B. Interference with Flood Control

Notwithstanding any other provision in this LEASE, LESSEE agrees that its use of the Premises shall not adversely affect DISTRICT's flood control facilities and/or operations. If DISTRICT determines, in its sole discretion, that the use of the Premises adversely affects the DISTRICT's flood control facilities and/or operations or if such use has not been approved in accordance with the provisions of this LEASE, LESSEE shall, upon receipt of notice thereof from DISTRICT, immediately cease such use. LESSEE shall bear any reasonable expenses associated with the cessation of such use, and shall have no rights or claims for same against DISTRICT.

ARTICLE 3. LEASE TERM

A. Term

The term (the "Term") of this LEASE shall be for 50 years, beginning on the execution of this LEASE by the DISTRICT (also referred to as the "Effective Date"), and ending fifty (50) years thereafter.

B. Option to Extend

LESSEE shall have no right to extend this LEASE.

C. Cancellation

1. DISTRICT shall have the right to cancel this LEASE and terminate LESSEE'S use of PREMISES by giving LESSEE at least ninety (90) days prior written notice, if all of the following conditions are complied with:
 - a. DISTRICT proposes to implement a project on or including the PREMISES for watershed management purposes, including flood control, water conservation, water quality; and/or public recreation. For the purposes of this LEASE, public recreation shall mean recreational uses or improvements that are consistent with the County of Los Angeles' Los Angeles River Master Plan or the City of Los Angeles' Los Angeles River Revitalization Master Plan.
 - b. DISTRICT determines, in good faith, that the LESSEE IMPROVEMENTS and/or LESSEE'S use of the PREMISES, or any of them, would be substantially incompatible with the proposed project.
 - c.. DISTRICT has notified LESSEE of the basis for DISTRICT'S determination that a substantial incompatibility will exist and has provided LESSEE with a reasonable opportunity to propose modifications to the LESSEE IMPROVEMENTS or LESSEE'S use of the PREMISES that will eliminate the incompatibility.
 - d. After consideration of any such modifications proposed by LESSEE, DISTRICT, in its sole but reasonable discretion, determines not to incorporate any such modifications or that, notwithstanding any such modifications, LESSEE'S IMPROVEMENTS and/or LESSEE'S use of the PREMISES will still be substantially incompatible with the proposed project.
2. DISTRICT shall have the right to cancel this LEASE and terminate LESSEE'S use of PREMISES in the event of a default, as more particularly described in Article 20, below.

3. LESSEE shall have the right to cancel this LEASE and terminate its use of PREMISES for any reason by giving DISTRICT at least sixty (60) days prior written notice.

ARTICLE 4. RENT

All rent set forth to this Lease shall be made payable to the Los Angeles County Flood Control District, c/o County of Los Angeles Department of Public Works, P.O. Box 7437, Alhambra, California 91803, Attention Fiscal Division. All payments shall state the name of LESSEE and LEASE No. _____.

A. Rent

LESSEE has paid DISTRICT a one-time fee of twenty thousand dollars (\$20,000).

B. Late Fees

In the event LESSEE fails to make full payment of any of the payments provided for herein on or before the dates they are due, the LESSEE shall pay a late charge of ten percent (10%) of the amount due, said ten percent (10%) being due thirty (30) days after the date payments are due. The ten percent (10%) has been set by both parties hereto in recognition of the difficulty in affixing actual damages from a breach of said time performance requirement.

In the event full payment of any rate, payment, or fee, including the ten percent (10%) late charge, is not received within sixty (60) days after the due date, an assessment of interest shall accrue on the unpaid balance at one percent (1%) per month beginning on the sixty-first (61st) day after the due date.

C. Net Lease

Unless stated otherwise herein, it is the purpose and intent of DISTRICT and LESSEE under this LEASE that all Rent paid by LESSEE to DISTRICT shall be absolutely net to DISTRICT. All costs, expenses and obligations of all and every kind relating to the use, occupancy and maintenance of the Premises by LESSEE, which may be incurred and become due during or subsequent to the LEASE Term, shall be paid by LESSEE.

D. Proration

In the event of cancellation or early termination of this LEASE other than on an Anniversary Date, prepaid rent shall be pro-rated to reflect the actual date of tenancy.

**ARTICLE 5.
SITE ASSESSMENT [NOT APPLICABLE]**

**ARTICLE 6.
SECURITY DEPOSIT [NOT APPLICABLE]**

**ARTICLE 7.
FLOOD CONTROL, WATER CONSERVATION AND
WATERSHED MANAGEMENT PRIORITY**

Use of the Premises by LESSEE for those purposes so stated in Article 2 herein shall be subordinate to DISTRICT's use thereof for present and future flood control, water conservation, and watershed management purposes as determined by the DISTRICT and shall not interfere or conflict with DISTRICT's use, subject to the conditions of Article 3.

A. Priority of Premises

1. It is understood by the parties hereto that since construction projects of DISTRICT and others authorized by DISTRICT may be carried on within the Premises, LESSEE, its officers, agents, employees and its contractors, permittees, licensees and their employees shall not unreasonably hinder or delay any of them or their actions.
2. DISTRICT may request LESSEE in writing to make reasonable modifications, additions or relocation of LESSEE's facilities within the Premises due to DISTRICT's work for flood control, water conservation or watershed management purposes, when in the sole discretion of DISTRICT, such work cannot be accommodated practically or economically with existing LESSEE IMPROVEMENTS. LESSEE, with EPA concurrence, shall be obligated to make such modifications, additions or relocation upon its receipt of notice thereof, subject to obtaining applicable governmental permits and approvals, shall perform such obligations at its sole expense and shall complete them prior to commencement of DISTRICT's work.
 - a. Should LESSEE fail to make said modifications, additions or relocation within one hundred twenty (120) days from the later of receipt of notice from DISTRICT, or receipt of applicable governmental permit and approvals, DISTRICT may perform the required work itself or engage an independent contractor and charge LESSEE for any and all expenses incurred.

- b. LESSEE shall reimburse DISTRICT for any and all reasonable costs DISTRICT incurred in making said modifications, additions or relocation together with interest calculated in conformance with Article 4.D until such payment is received in full by DISTRICT.

ARTICLE 8. CONSTRUCTION AND ALTERATION

A. LESSEE's Right to Construct and Alter

1. LESSEE shall have the right to construct (or cause to be constructed) the LESSEE IMPROVEMENTS on and over the Premises. The costs of all applicable permits, licenses, and other costs of any nature in connection with the construction of the LESSEE IMPROVEMENTS and the use of the surface of the Premises shall be borne by LESSEE, and LESSEE indemnifies and holds DISTRICT and the Premises harmless in connection therewith.
2. The construction, reconstruction, alteration, remodeling or removal of any LESSEE IMPROVEMENTS on the Premises shall not commence until final plans and specifications thereto have been submitted to DISTRICT's Chief Engineer or designee, and are in accordance with the terms and conditions of this LEASE. In accordance with Article 8.C., LESSEE shall obtain and bear costs of all applicable permits (Permits) for such work, including, without limitation from the Land Development Division of the County Los Angeles Department of Public Works (Land Development Division), in the form prescribed by said Land Development Division. Minor Repairs(s), as defined in Article 36, are exempt from the requirements of this Article.
3. It is understood by LESSEE that any approval by DISTRICT of this LEASE does not imply, confer or constitute any land-use entitlement or regulatory permit as to what is permitted and may be constructed on the Premises. Any applicable entitlement(s) must be obtained by the LESSEE from the jurisdiction in which the Premises are located.
4. Approval for construction, reconstruction, remodeling, or alteration, with the exception of removal, shall not be unreasonably withheld unless DISTRICT, with concurrence from EPA, determines that the proposed construction, reconstruction, remodeling, or alteration, will interfere with the operation and maintenance of said DISTRICT facility or any of DISTRICT's other affected properties or facilities.

5. LESSEE shall submit, to DISTRICT, As Built Construction Drawings for the LESSEE IMPROVEMENTS within ninety (90) days from Notice of Completion as executed by the Head, Permits and Subdivision Section, Land Development Division of the Los Angeles County Department of Public Works. Failure to submit As Built Construction Drawings, as required herein, shall constitute a breach of this LEASE. The sum of One Hundred Dollars (\$100) is hereby agreed upon as the amount of damages that will be assessed to LESSEE and paid to DISTRICT for each business day, following the fifth business day of such breach. Said amount has been agreed to by both parties in recognition of the difficulty in finding actual damages arising from a breach hereof.

DISTRICT's initials _____ LESSEE's initials _____

6. LESSEE, when undertaking any construction, reconstruction, remodeling, or alteration, except for minor repairs as defined herein, shall procure payment and performance bonds as specified in Article 10.

B. Approval by DISTRICT As to Compatibility

Approval by DISTRICT of plans and specifications submitted by LESSEE shall be as to compatibility with DISTRICT's facilities and shall not be interpreted or inferred as an endorsement or approval as to the design, accuracy, correctness or authenticity of the information shown thereon. LESSEE shall comply with all applicable requirements, rules, regulations, and ordinances pertaining to the construction of LESSEE's improvement on the Premises.

C. Responsibility of LESSEE to Obtain Permits

LESSEE shall arrange for, obtain and bear costs of any and all applicable Permits, including plan check and inspection fees, licenses, environmental impact reports, site preparation, surface treatment, relocation of any facilities, and enclosure of the Premises as necessary or required for health or safety in the construction, operation, and maintenance of the Premises as used by LESSEE.

D. Incorporation of Permit by Reference

As a condition of this LEASE, LESSEE agrees to perform the covenants and conditions contained in any applicable permit issued or to be issued to LESSEE by DISTRICT's Chief Engineer or his designees. In the event of any inconsistencies or ambiguities between the terms of the LEASE and any permit issued, the terms of this LEASE shall prevail.

E. Loading and Materials Stockpiling Limitations

LESSEE by this Article is aware that the use of heavy equipment in excess of H-10 highway loading, as specified in the Standard Specifications for Highway Bridges of the American Association of State Highway Officials (Current Edition), or the stockpiling of materials on land within or adjoining DISTRICT facilities may damage such facilities by excessive loading or surcharge. LESSEE agrees that no entry, use of heavy equipment or materials stockpiling on or adjacent to DISTRICT's property will be made by LESSEE without the proposed use having been requested and submitted in writing by certified mail to DISTRICT and only upon DISTRICT's written approval. Failure of DISTRICT to respond within thirty (30) days of receipt of the notice for the proposed use shall be deemed as disapproval.

**ARTICLE 9.
OWNERSHIP AND DISPOSITION OF IMPROVEMENTS**

A. Ownership

The LESSEE IMPROVEMENTS constructed or installed on the Premises by LESSEE or acquired by LESSEE during the Term, as approved by DISTRICT pursuant to this LEASE, shall remain LESSEE's property during the Term.

B. Termination and Removal

The procedures for removal or abandonment of LESSEE IMPROVEMENTS shall be in accordance with Section 16.52.300 of the County Code as follows:

1. At the expiration, revocation, or termination of this LEASE or the permanent discontinuance of the use of all or a portion of LESSEE IMPROVEMENTS, the LESSEE shall, within thirty (30) days thereafter, make written application to the DISTRICT for authority to either:
 - a. Abandon all or a portion of LESSEE IMPROVEMENTS in place; or
 - b. Remove all or a portion of such LESSEE IMPROVEMENTS.

Such application shall describe LESSEE IMPROVEMENTS desired to be abandoned, their location with reference to county highways, and shall describe with reasonable accuracy the physical condition of such LESSEE IMPROVEMENTS. The DISTRICT shall determine whether any abandonment or removal, which is thereby

proposed, may be effected without detriment to the public interest and under what conditions such proposed abandonment or removal may be effected. The DISTRICT shall then notify the LESSEE of its determination.

2. Within thirty (30) days after receipt of such notice, the LESSEE shall apply for a permit from the DISTRICT to abandon or remove LESSEE IMPROVEMENTS.
3. The LESSEE shall, within sixty (60) days after obtaining such permit, commence the work authorized by the permit.

ARTICLE 10. SECURITY/BONDS

A. Security Requirements/Faithful Performance Bond

1. Within three (3) months following the adoption of this LEASE or prior to construction of the LESSEE IMPROVEMENTS within the Premises, whichever occurs first, LESSEE shall provide to the DISTRICT a faithful performance bond in the form of a Lease Bond in the sum of not less than forty one thousand two hundred dollars (\$41,200) payable to the DISTRICT, executed by a corporate surety licensed to transact business as a surety in the State of California, and acceptable to the DISTRICT. Such bond shall be conditioned upon the faithful performance by the LESSEE of the terms and conditions of this franchise and shall provide that, in case of a breach of any condition of this franchise, the whole amount of the penal sum, or any portion thereof, shall be deemed to be liquidated damages, and shall be payable to the DISTRICT by the principal and surety(ies) of the bond.
2. Every year that the faithful performance bond is required to be in full force and effect, the amount of the faithful performance bond for the then current twelve (12) month period shall be increased by one and one-half percent (1.5%) on or before the Anniversary Date in advance of the next franchise year. The LESSEE shall maintain the faithful performance bond in the amount required herein until the Security Transition Date. The Security Transition Date is the effective date of an agreement, such as a Partial Consent Decree entered in the Central District of California, between LESSEE and EPA among others, that addresses operation and maintenance of the GWTS constructed by LESSEE pursuant to the August 22, 2012 Partial Consent Decree for Construction of the Dual Site Groundwater Operable Unit Treatment System and meets the

requirements set forth in this paragraph. In order to relieve Montrose of its obligation to maintain the bond, the Partial Consent Decree or the Statement of Work attached to such Partial Consent Decree, must contain (1) a performance guarantee in an amount sufficient to guarantee the performance of work under the Partial Consent Decree in a form that is acceptable to EPA and that complies with EPA's performance guarantee requirements, and (2) provisions requiring compliance with the terms of this LEASE, including provisions concerning operation, maintenance, decommissioning, and removal of the LESSEE's Facilities that are substantially the same as the language shown in Exhibit B. Unless and until an agreement is in place, as determined by the DISTRICT, LESSEE shall maintain the faithful performance bond in the amount required herein throughout the term of the LEASE.

3. Except when LESSEE is not required to maintain a bond Pursuant to Article 10.A.1. above, if LESSEE receives notice from the DISTRICT that any amount has been drawn down from the bond as provided in this section, within then (10) business days after receipt of notice from the DISTRICT, County shall restore the bond to the full amount required hererin.

B. Alternative Security

1. The DISTRICT, in its sole discretion, may accept alternative security to meet the above bonding requirements in the form of an irrevocable letter of credit, certificate of deposit, or a cash deposit in the form of a Passbook Savings Account acceptable to DISTRICT as an alternative to a faithful performance bond to guarantee the performance of LESSEE's obligations under this franchise. Such alternative security shall be made payable to the DISTRICT and shall be deposited to the satisfaction of the DISTRICT. Alternative Security may be required only until the Security Transition Date.

C. Adjustments

1. The types and amounts of the performance bond or alternative security coverage shall be subject to review and adjustment by the DISTRICT at DISTRICT'S sole discretion, at any time prior to the Security Transition Date. In the event of such adjustment, LESSEE agrees to provide the adjusted coverage, in type(s) and amount(s) as determined by the DISTRICT, within thirty (30) days after written notice from the DISTRICT.

D. Lease Operations

1. No Lease operations shall commence until LESSEE has complied

with the requirements of this section.

ARTICLE 11. **REPAIRS AND MAINTENANCE**

A. LESSEE Responsible for Repairs and Maintenance

1. LESSEE, at its sole cost and expense, shall maintain the Premises, including but not limited to, all facilities, structures, landscaping and LESSEE IMPROVEMENTS constructed thereon by LESSEE, in good repair and in compliance with all applicable requirements of law. Notwithstanding the foregoing, LESSEE shall not interfere with or affect the DISTRICT's improvements or facilities that are located under or nearby the LESSEE IMPROVEMENTS to be constructed by LESSEE on and over the Premises.
2. LESSEE shall promptly remove from and keep LESSEE IMPROVEMENTS within the Premises free of any graffiti in accordance with the following time periods:
 - a. Vulgar graffiti (i.e. profane, obscene, or racist) shall be removed within 24 hours, Monday through Friday. [[NB: TO DISCUSS---WHAT ARE STANDARDS? WHEN DOES 24 HOURS START? FROM NOTIFICATION? MONROSE SHOULD NOT BE EXPECTED TO HAVE SOMEONE MONITORING FOR GRAFFITI 24 HOURS A DAY]]
 - b. All other graffiti shall be removed within 72 hours, Monday through Friday.
3. LESSEE shall take all reasonable steps necessary to protect DISTRICT owned facilities and property on the Premises from damage and to prevent any interference with the flow of water in the channel, all at LESSEE's sole cost and expense. LESSEE shall be responsible and liable for damage to all DISTRICT owned facilities and property resulting from or attributable to the use and occupancy of the Premises or LESSEE IMPROVEMENTS by LESSEE or any person entering thereon on LESSEE's behalf.
4. LESSEE shall promptly repair or remove any and all damage to the LESSEE IMPROVEMENTS on the Premises, at LESSEE's sole cost and expense. Notwithstanding the foregoing, should damages be caused by the presence of hazardous substances, LESSEE shall take remedial actions as specified herein in Article 23.
 - a. LESSEE shall evidence such repairs or removal within thirty

(30) days of the later of the incident causing the damage or DISTRICT approval, if required herein. Concurrently with LESSEE's repair or removal of said damage, LESSEE shall notify DISTRICT in writing. Where DISTRICT owned facilities or property, are affected, LESSEE shall first obtain DISTRICT's approval, which shall not be unreasonably withheld, conditioned or delayed. If LESSEE fails to repair said damages or remove damaged structures or other LESSEE IMPROVEMENTS in accordance with Article 11.A.4 above, DISTRICT may enter the Premises with or without notice and repair said damage.

- b. Should DISTRICT repair or remove said damages, LESSEE shall reimburse DISTRICT for any and all actual expenses incurred, together with interest at a rate of ten percent (10%) per annum, but not to exceed the then existing legal limit in California as of the date of demand by DISTRICT. For each month that the sum is past due, interest shall be charged on the unpaid balance plus accrued interest, until the amount fully owed is received by DISTRICT.
5. Notwithstanding the above, DISTRICT shall not be obligated to make any repairs, alterations, additions or improvements in, on or to Premises or in, on or to any structure or other LESSEE IMPROVEMENTS hereinafter erected or installed thereon by LESSEE, whether structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen.

B. Emergency Conditions

In the event of an emergency affecting LESSEE's use or occupancy of the Premises, LESSEE shall take all steps necessary to abate the emergency condition. Emergency conditions are defined as situations in which lives are endangered or material or substantial environmental damage will result if required work is delayed pending approval by DISTRICT. LESSEE agrees that if work is done under emergency conditions, LESSEE shall within seven (7) days from the occurrence of the emergency, request approval in writing from DISTRICT for the work performed as required herein.

C. Approvals by DISTRICT

For all repairs, LESSEE shall comply with each and every condition of Article 8, except for Minor Repairs as defined in Article 36, which shall conform with applicable local building codes. DISTRICT's Chief Engineer or designee may release LESSEE from any such condition only upon prior written Request for Release from Construction Conditions setting forth

each and every condition from which LESSEE seeks release.

ARTICLE 12. TAXES AND ASSESSMENTS

A. Payment of Taxes

1. LESSEE shall have sole responsibility to pay promptly without abatement, deduction, or offset, any personal and real property taxes, rental and excise taxes, business and occupation taxes and all general and special assessments, taxes or any other charges (hereinafter taxes) levied or assessed upon the Premises, LESSEE's operations thereon or against LESSEE's possessory interest by any governmental entity.
2. Should this LEASE create a possessory interest, which may be subject to a property tax levy, LESSEE agrees to pay any property tax levied on such interest.
3. If notice of such taxes is received by DISTRICT from a governmental agency or any other persons or entity, DISTRICT shall communicate such notice to LESSEE; however, DISTRICT's failure to communicate such notice shall not impose liability on DISTRICT or excuse LESSEE from payment of the taxes.

B. Fees

In the event that during the Term fees or amounts are placed upon DISTRICT by any governmental agency whether, city, state, federal or special district, as a part of a requirement to obtain a license or pay a sum for the renting or leasing of real property or any interest therein, measured in whole or in part upon the sums received by DISTRICT from LESSEE under this LEASE, LESSEE shall either pay directly on behalf of DISTRICT or at DISTRICT's request, reimburse DISTRICT for any sums paid by DISTRICT.

C. Payment by DISTRICT

In the event LESSEE fails to pay such fees or amounts within thirty (30) days after the due date, DISTRICT may, at its option, pay any and all such sums together with all penalties and interest added thereto by reason of any such delinquency or default, and may likewise redeem the Premises or any part thereof, from any tax sale or sales.

Any such fees or amounts so paid by DISTRICT shall become due and payable within thirty (30) days of receipt of notice by LESSEE from DISTRICT, together with interest at the rate of ten percent (10%) per annum, but not to exceed the then existing legal limit in California as of the

date of demand by DISTRICT, and such interest shall be compounded on a monthly basis until the amount owed to DISTRICT is paid in full.

D. **Commencement and Expiration**

All taxes and assessments against Premises during the first and last years of this LEASE shall be prorated between DISTRICT and LESSEE. LESSEE shall have no obligation for payment of installments of taxes or assessments that become due before the commencement of the Term of this LEASE or that may be assessed after the expiration or sooner termination of the Term.

**ARTICLE 13.
LIENS AND CLAIMS**

- A. LESSEE agrees to keep the Premises and the LESSEE IMPROVEMENTS hereinafter constructed or placed thereon, and every part hereof, and any and every estate, right, title, and interest therein, at all times during the term of this LEASE, free and clear of mechanic's liens and other liens for labor, service, supplies, equipment and materials arising from or relating to any work performed by or for LESSEE on the Premises.
- B. LESSEE will at all times fully pay and discharge and wholly protect, defend and hold harmless DISTRICT and all and every part of the estate, right, title, and interest of DISTRICT in and to all and every part of the Premises and such LESSEE IMPROVEMENTS, or any of them, against; (a) any and all demands or claims which may or could become such liens or labor claims, (b) all attorney's fees and costs,; and; (c) any and all expenses, damages, or outlays which may or might be incurred by DISTRICT or LESSEE by reason of, or on account of any such liens or claims or the assertion thereof.
- C. If any lien shall be filed, or if any suit, action or proceeding shall be commenced, affecting the Premises or LESSEE IMPROVEMENTS thereon, LESSEE shall promptly, upon obtaining information thereof, give notice in writing to DISTRICT.
- D. Should LESSEE allow a final judgment of foreclosure of any mechanic's lien, or any other judgment arising out of any claim or demand in connection with any construction of LESSEE IMPROVEMENTS made upon the Premises to remain unsatisfied for more than a period of ten (10) days, DISTRICT may, at its option, pay any and all such claims or demands. LESSEE covenants and agrees to pay to DISTRICT all such sums incurred or expended by DISTRICT, including all reasonable attorney's fees, with the maximum interest allowed by law on the total amount incurred or expended by DISTRICT from the date DISTRICT

incurred or expended costs, until such time that the amount fully owed is received by DISTRICT.

- E. DISTRICT shall have the right to post, record, and maintain on the Premises such Notices of Nonresponsibility as provided for under the laws of the State of California.
- F. Notwithstanding anything to the contrary herein contained, if LESSEE shall contest the validity of any lien, claim or demand, then LESSEE shall, at its expense, defend itself and DISTRICT against the same and shall pay and satisfy any final adverse judgment that may be rendered therein before enforcement thereof against DISTRICT or the Premises.
- G. LESSEE shall name DISTRICT as additional obligee under any surety bond furnished in the contested proceedings.

ARTICLE 14. INDEMNITY AND INSURANCE

A. Indemnity

- 1. LESSEE shall indemnify, defend, and hold harmless the DISTRICT and its special districts, elected and appointed officers, employees, and agents ("DISTRICT agents") from and against any and all liability and expense, including claims and lawsuits relating to or arising from the DISTRICT's grant of this LEASE, claims and lawsuits alleging violations of the California Environmental Quality Act ("CEQA") in connection with the grant of this LEASE, and for injuries or damages of any nature whatsoever, including but not limited to bodily injury, death, personal injury, or property damage, including property of the LESSEE, pollution liability, defense costs, reasonable attorneys' fees, and workers' compensation benefits, based upon, arising from, or relating to either: (1) LESSEE's use of the LEASE and the operations performed by LESSEE, its employees, agents, servants, receivers, contractors, subcontractors, successors, or assignees ("LESSEE's agents") in connection with this LEASE; and/or (2) any acts or omissions of LESSEE, LESSEE's agents, or any person in connection with activities or work conducted or performed pursuant to this LEASE.
- 2. LESSEE shall also indemnify, defend, and hold harmless the DISTRICT and the DISTRICT's agents, from and against any and all pollution liability, contamination, or environmental degradation liability, including any and all expenses, claims, and lawsuits for injuries or damages of any nature whatsoever, defense costs, reasonable attorneys' fees, and workers' compensation benefits,

arising from or relating to any threatened, actual, or alleged discharge, dispersal, release, or escape of any substance into or upon any person, thing, or place, including the land, soil, atmosphere, man-made structure, and/or any above or below ground watercourse or body of water, in connection with this LEASE. Notwithstanding the foregoing, the LESSEE shall not be obligated to indemnify the DISTRICT and the DISTRICT's agents for any liability and expense arising from the active negligence or willful misconduct of the DISTRICT or DISTRICT's agents, or arising from polluted substances not conveyed within the Premises and not caused by LESSEE or LESSEE's agents.

3. In addition to any other reporting obligations that LESSEE may have to any other agencies, LESSEE shall immediately notify DISTRICT of all unpermitted discharges, releases, or escapes of any treated or untreated groundwater from LESSEE IMPROVEMENTS within the Premises. All actions to investigate, remove or remediate any substance reasonably demonstrated to be discharged, dispersed, released, or escaped from LESSEE's facilities without the appropriate permit, and to repair or restore LESSEE's facilities shall be the sole responsibility of LESSEE and shall be conducted by LESSEE or LESSEE's Agents in conformance with any and all applicable laws, ordinances, rules, regulations, requirements, and orders whatsoever, present or future, of the federal, state, county, or other applicable local government at LESSEE's sole cost and expense, and shall be immediately undertaken. If within a reasonable period of time, LESSEE fails to take any action required pursuant to this section, DISTRICT may, but shall not be obligated to, take all investigative, remedial, or removal actions it deems appropriate at LESSEE's expense that are not inconsistent with any directives or requirements of the EPA. Upon written demand by DISTRICT, LESSEE shall reimburse DISTRICT for all expenses reasonably incurred in connection with the DISTRICT's actions including, but not limited to, all direct and indirect costs relating to investigation, remediation, and removal.

B. Insurance

Without limiting LESSEE's indemnification of DISTRICT or DISTRICT's agents, and subject to Section 4.d. below pertaining to Environmental Impairment Liability Insurance, LESSEE shall provide and maintain or cause to be provided and maintained at its own expense during the term of this LEASE, the following programs of insurance. Such programs and evidence of insurance shall be satisfactory to the DISTRICT, and shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the DISTRICT.

1. Certificate(s) Declaration page(s) or other evidence of coverage satisfactory to the DISTRICT shall be delivered on or before the effective date of this LEASE, and on or before the expiration date of each term of insurance, to DISTRICT. Such certificates or other evidence shall:
 - a. Specifically identify this LEASE.
 - b. Clearly evidence all insurance required in this LEASE.
 - c. Contain the express condition that the DISTRICT is to be given written notice by registered mail at least thirty (30) days in advance of any modification, non-renewal, cancellation, or termination of any program of liability insurance, and at least thirty (30) days in advance of any modification, non-renewal, cancellation, or termination of any program of workers' compensation or other insurance required by this section.
 - d. Include a copy of the additional insured endorsement to the liability policies, adding the DISTRICT and DISTRICT's agents as insureds for all activities arising from this LEASE.
 - e. Show the LESSEE's insurance as primary to the DISTRICT's insurance and self-insurance programs. This may be evidenced by adding a statement to the additional insured endorsement required in subsection (d) stating, "It is further agreed that the insurance afforded by this policy is primary to any insurance or self-insurance programs maintained by the additional insureds, and the additional insureds' insurance and self-insurance programs are excess and non-contributing to Named Insured's insurance."
 2. Insurance is to be provided by an insurance company with an A.M. Best rating of not less than AVII, unless otherwise approved by the DISTRICT.
 3. LESSEE agrees that to the fullest extent permitted by law, LESSEE or its contractors or agents will waive their rights and their insurers' rights of recovery against DISTRICT and DISTRICT's agents under the insurance policies required in this LEASE for loss arising from or relating to this LEASE. LESSEE or LESSE's contractors or agents shall require their insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.
 4. Liability: Such insurance shall be endorsed naming the DISTRICT

and the DISTRICT's agents as additional insureds, and shall include, but not be limited to:

- a. Commercial General Liability Insurance written on a commercial general liability form (ISO policy form CG 00 01, or its equivalent, (including umbrella policy) unless otherwise approved by the DISTRICT), with limits of not less than five million dollars (\$5,000,000) per occurrence, fifteen million dollars (\$15,000,000) policy aggregate, and fifteen million dollars (\$15,000,000) products/completed operations aggregate.
- b. If written on a claims-made form, such insurance shall be endorsed to provide an extended reporting period of not less than two (2) years following termination or cancellation of this LEASE.
- c. Comprehensive Auto Liability Insurance (written on ISO policy form CA 00 01, or its equivalent, unless otherwise approved by the DISTRICT), endorsed for all owned, non-owned, and hired vehicles with a limit of not less than one million dollars (\$1,000,000) per occurrence.
- d. Environmental Impairment Liability Insurance ("EIL insurance"), which insures liability for environmental impairment including cleanup cost endorsed for "Sudden and Accidental" contamination or pollution. Such coverage shall be in an amount and form to meet all applicable state and federal requirements but in no event less than five million dollars (\$5,000,000) per occurrence.
- e. If written with an annual aggregate limit, the policy limit should be three (3) times the above-required occurrence limit.
- f. If written on a claims-made form, such insurance shall be endorsed to provide an extended reporting period of not less than two (2) years following termination or cancellation of this LEASE.
- g. EIL insurance maintained by either LESSEE or its contractor will satisfy the requirements of this Section as long as it contains the required terms, conditions, amount and scope of coverage.

LESSEE or its contractors or agents shall maintain the EIL insurance required herein until the effective date of an agreement such as a Partial Consent Decree between LESSEE and EPA among others, entered in the Central District of California, that addresses operation and maintenance of the GWTS constructed by LESSEE pursuant

to the August 22, 2012, Partial Consent Decree for Construction of the Dual Site Groundwater Operable Unit Treatment System and meets the requirements set forth in this paragraph. In order to relieve LESSEE of its obligation to maintain the EIL insurance, the Partial Consent Decree or the Statement of Work must remain in place and contain (1) a performance guarantee in an amount sufficient to guarantee the performance of work under the Partial Consent Decree in a form that is acceptable to EPA and that complies with EPA's performance guarantee requirements; (2) provisions that require LESSEE to notify the DISTRICT of any release or threat of release or unpermitted discharge from LEASE IMPROVEMENTS, and take all appropriate action at its expense to prevent, abate, or minimize such release or threat of release or unpermitted discharge, including all actions that are legally required and required by applicable cleanup standards to investigate, remove or remediate any such release or unpermitted discharge; and (3) contain language substantially similar to the language set forth in Exhibit C. Unless and until such an agreement is in effect, as determined by the DISTRICT, LESSEE or its contractors or agents shall maintain the EIL insurance required herein throughout the term of this LEASE

5. Workers Compensation: A program of workers' compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California. Such policy shall be endorsed to waive subrogation against the DISTRICT for injury to LESSEE's employees. In all cases, the above insurance shall include Employers Liability insurance with coverage of not less than:
 - a. Each accident: one million dollars (\$1,000,000).
 - b. Disease-policy limit: one million dollars (\$1,000,000).
 - c. Disease-each employee: one million dollars (\$1,000,000).
6. LESSEE shall furnish the DISTRICT within thirty (30) days of the adoption of this LEASE, and within thirty (30) days of the expiration date of each term of insurance, with evidence of insurance required by Section 3B to the satisfaction of the DISTRICT for each of said policies certified by LESSEE's insurance agent, or by the company issuing the policy.
7. The types and amounts of said insurance coverage shall be subject to review and adjustment by the DISTRICT, at DISTRICT's sole discretion, at any time during the term of the LEASE. In the event

of such adjustment, LESSEE agrees to obtain said adjusted insurance coverage, in type(s) and amount(s) as determined by the DISTRICT, within thirty (30) days after written notice from the DISTRICT. Notwithstanding the foregoing, the DISTRICT may not adjust the amount or duration of the required EIL insurance, as specified in this Article 14.B.4.g.

8. Failure on the part of LESSEE to procure or maintain, or cause to be procured or maintained through its contractors and agents the required insurance, or to provide evidence of current insurance, shall constitute a material breach of the terms of this LEASE upon which the DISTRICT may terminate or suspend this LEASE.
9. It is the obligation of LESSEE to provide evidence of current insurance policies. No LEASE operations shall commence until LESSEE has complied with the provisions of this Section 14, and LESSEE shall suspend any LEASE operations during any period that LESSEE fails to obtain or maintain the insurance required hereunder.
10. Use of Funds for Repair and Restoration

DISTRICT shall, at LESSEE's sole cost and expense, cooperate fully with LESSEE to obtain the largest possible recovery following any damage or loss due to an incident covered by insurance. All policies of fire and extended coverage insurance required by this LEASE shall provide that the proceeds shall be held in trust by an Insurance Trustee, as defined in Article 36, for the uses and purposes prescribed by this LEASE. All costs and charges by the Insurance Trustee to discharge related duties shall be borne and paid by LESSEE.

11. Right of DISTRICT to Insure
 - a. Subject to Article 14.B, above, if for any reason LESSEE shall neglect or fail to insure or cause to insure and keep insured the LESSEE IMPROVEMENTS on Premises as required by this LEASE, or to pay the premiums therefore, DISTRICT may at its option, procure or renew such insurance and pay the premiums thereon.
 - b. Any amount paid for insurance by DISTRICT shall become immediately due and payable by LESSEE to DISTRICT. The premiums paid by DISTRICT shall accrue interest at ten percent (10%) per annum, but not to exceed the then legal rate in California, from the date the premium is paid by DISTRICT. The interest charge shall be the maximum

allowed by law, but not to exceed the then existing legal limit in California. For each month that the sum is past due, interest shall be charged on the unpaid balance plus accrued interest, until the amount fully owed is received by DISTRICT.

- c. DISTRICT is not required to carry any public liability, public damage or extended coverage insurance on any LESSEE IMPROVEMENTS on the Premises.

C. **Uninsured Casualty**

An uninsured casualty is a loss for which insurance is not required under this LEASE. At any time during the LEASE Term should destruction or damage occur to all or any part of LESSEE's IMPROVEMENTS caused by an uninsured casualty, LESSEE shall have no obligation to rebuild those LESSEE IMPROVEMENTS and may terminate this LEASE by giving DISTRICT one hundred eighty (180) days written notice, within forty five (45) days after such damage or destruction occurs. Should LESSEE terminate this LEASE, LESSEE shall, at its own expense, and at DISTRICT's sole discretion, remove or abandon in place the LESSEE IMPROVEMENTS from the Premises to DISTRICT's satisfaction in accordance with Article 9. In any event, LESSEE shall leave no damaged or destroyed LESSEE IMPROVEMENTS thereon.

D. **Effect of Destruction**

Destruction of any of LESSEE's IMPROVEMENTS upon the Premises shall not effect abatement or reduction in rent, except in the event of termination as provided in Article 4.F.

ARTICLE 15.
TRANSFERS AND ASSIGNMENTS

LESSEE shall not sell, transfer (including stock transfers), assign, or lease the LEASE or any part thereof (each of which is hereinafter referred to as an "assignment"), to any other person or entity ("transferee") except with the written consent of the Director of the County Department of Public Works, or designee and after payment of a transfer fee as detailed in ARTICLE 15.B.2. below. No such consent shall be required for any assignment of the LEASE in truth or by a way of mortgage, pledge, or hypothecation with all or a part of LESSEE's other property for the purpose of securing any indebtedness of LESSEE.

A. Conditions for Assignment

1. LESSEE shall give notice to the County of any pending assignment, except as excluded in Article 15.B.2. and shall provide all documents required by the DISTRICT as set forth in Article 15.B., below. Consent to any such assignment shall only be refused if the DISTRICT finds that LESSEE is not in compliance with the terms and conditions of the LEASE and/or that the proposed transferee, as applicable, is lacking in experience and/or financial ability to meet the LEASE obligations. Consent shall be conditioned upon the completion of the assignment on the terms and conditions set forth in the assignment documents delivered to DISTRICT, the assumption by the transferee, as applicable, of all the LESSEE's covenants and obligations under the LEASE, and all information provided to the DISTRICT under Article 15.B., below, being true and correct as of completion of the assignment. Upon receipt of such consent from the DISTRICT, LESSEE may proceed to consummate the assignment.
2. LESSEE shall file with the DISTRICT within thirty (30) days after the effective date of any assignment, a certified copy of the duly executed instrument(s) which officially evidence(s) such assignment. If such duly executed instrument(s) is not filed with the DISTRICT within thirty (30) days after the effective date of such proposed assignment, or if the conditions to consent by the DISTRICT have not been met, then the DISTRICT may notify the LESSEE and the proposed transferee that the assignment is not deemed approved by the DISTRICT. The DISTRICT may determine that the assignment has no force or effect or that the franchise is forfeited.
3. As a condition to granting consent to such assignment, the DISTRICT may impose, by ordinance such additional terms and conditions upon the proposed transferee which the Board deems to be in the public interest. Nothing contained herein shall be construed to grant LESSEE the right to complete an assignment except in the manner aforesaid. This section applies to any assignment, whether by operation of law, by voluntary act of LESSEE, or otherwise.
4. Notwithstanding the foregoing, shareholders, partners, and/or any other person or entity owning an interest in LESSEE may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, divestment, or other change including a merger is effected in such a way as to give control of LESSEE, to any person or persons, corporation, partnership, or legal entity

other than the person or entity with the controlling interest in the LESSEE on the effective date of the LEASE or the effective date of the last approved assignment, consent thereof shall be required as otherwise provided in this section.

B. Procedure for Assignment

1. Upon notice by LESSEE of any pending assignment, the proposed transferee shall submit an assignment application to the DISTRICT, which shall contain at a minimum:
 - a. Identification of the proposed transferee which indicates the corporate or business entity organization, including the submission of copies of the corporate or business formation papers (e.g., articles of incorporation and by-laws, limited partnership agreements, operating agreements), and the names and addresses of any parent or subsidiary of the proposed transferee(s), or any other business entity owning or controlling the proposed transferee in part or in whole;
 - b. A current financial statement, which has been audited by a certified public accountant demonstrating conclusively to the satisfaction of the DISTRICT that the proposed transferee has all the financial resources necessary to carry out all of the terms and conditions of the franchise. The financial statement shall include a balance sheet, profit and loss statement for at least the three (3) most recent years, and a statement of changes in financial position; however, if the proposed transferee has been in existence for less than three (3) years, then for such period of existence;
 - c. A copy of the proposed agreement of sale, letter of understanding, or other documentation which details the proposed assignment ("assignment documents");
 - d. Other information which may be required by the DISTRICT to assess the capability of the proposed transferee to operate and maintain the LEASE.
2. The transfer fee shall be the actual costs to process the proposed assignment application, including any consultant's fees incurred by the DISTRICT to assist in evaluating the application, but in no event less than the minimum transfer fee of two thousand five hundred dollars (\$2,500). The minimum transfer fee will be submitted with the proposed assignment application. Additional monies owed shall be due and payable prior to final determination of the request by the DISTRICT.

ARTICLE 16.
NO SUBORDINATION

DISTRICT shall not subordinate its fee interest in the Premises to any lien or encumbrance created by LESSEE.

ARTICLE 17.
RIGHT TO HYPOTHECATE LEASEHOLD

LESSEE shall have no right to hypothecate this LEASE or any interest thereof.

ARTICLE 18.
BANKRUPTCY OR INSOLVENCY

A. Breach

LESSEE shall be deemed to have repudiated its obligations and to have breached this LEASE if, during the term of this LEASE either of the following occurs:

1. A petition to have LESSEE adjudged bankrupt or a petition for reorganization, arrangement or relief under the Bankruptcy Act as now in force or hereafter amended, is filed by or against LESSEE, and if so filed against LESSEE, is not dismissed within sixty (60) days from the date of such filing or;
2. In any judicial action or proceeding pursuant to any composition of creditors, a receiver or other officer or agent (including LESSEE as a debtor in possession) is appointed to take charge of the Premises or the business conducted therein, and not removed within sixty (60) days of the occurrence.

B. LEASE Termination

LESSEE expressly agrees that DISTRICT may at its election terminate this LEASE in the event of the occurrence of either of the events described above by giving not less than thirty (30) days notice to LESSEE, and when so terminated, DISTRICT may reenter the Premises and relet to another.

ARTICLE 19.
CONDEMNATION

A. Total Take

If the entire Premises shall be taken by condemnation or other proceedings pursuant to law, or sold in avoidance of such condemnation

or other proceedings, which is sufficient to render the remaining portion thereof unusable by LESSEE in the sole judgment of LESSEE (hereinafter taking), then LESSEE shall give notice to DISTRICT of its intention to terminate this LEASE not more than ninety (90) days after the date of such taking, and this LEASE shall terminate as of this date. In the event the LEASE is terminated as a result of such taking, the award, settlement or payment resulting from such taking (including any award, settlement or payment as compensation by way of severance damage suffered by such portion of the Premises not taken), shall be distributed between the parties as follows:

1. LESSEE shall participate in such award, settlement or payment as compensation for the depreciated market value of LESSEE's IMPROVEMENTS on the Premises.
2. The complete residue of said award, settlement or payment shall be awarded to DISTRICT.

B. Partial Take

If a lesser portion of Premises shall be taken, by condemnation or otherwise, not giving rise to the termination of this LEASE, this LEASE shall continue in full force and effect, and LESSEE shall promptly repair any damage to said improvement caused by any such taking. In the event of such lesser taking the award, settlement or payment for such taking shall be divided between the parties hereto as follows:

1. LESSEE shall participate in such award, settlement, or payment so as to be compensated for the portion of LESSEE's IMPROVEMENTS on the Premises taken, the cost of repair of the LESSEE's IMPROVEMENTS remaining on the Premises not taken, the damage suffered by LESSEE's IMPROVEMENTS on the Premises by virtue of the taking of a portion thereof and the depreciation to and cost of removal of LESSEE's IMPROVEMENTS on the Premises through the thirtieth (30th) year of the LEASE, after which the LESSEE will not participate in nor receive any portion of such award, settlement, or payment attributable to the leasehold value or LESSEE IMPROVEMENTS on the Premises.
2. The residue of such award, settlement, or payment shall be awarded to DISTRICT. In the event of such lesser taking not giving rise to termination of this LEASE, the Rent payable by LESSEE to DISTRICT after such taking shall be reduced by an amount equal to the product of the multiplication of the rent payable at the time of such taking by a fraction, the numerator of which shall be the

number of square feet so taken and the denominator shall be the total number of square feet of the Premises existing immediately prior to such taking. Such Rent reduction shall be effective as of the date of such taking. In no event shall rent be less than the DISTRICT's minimum rent. The DISTRICT hereby reserves the right to adjust its minimum rent, as provided herein, according to DISTRICT's requirements. In the event DISTRICT's minimum rent requirement increases, the DISTRICT shall notify LESSEE not less than thirty (30) days prior to the increase.

C. **Temporary Take [[NB: HOW IS TEMPORARY DEFINED?]]**

1. If the use or occupancy of all or any part of the Premises shall be temporarily requisitioned by any governmental authority, civil or military, this LEASE shall continue in full force and effect, and LESSEE shall promptly repair any damage caused by any such taking or requisition to LESSEE's IMPROVEMENTS on the Premises.
2. In the event of such temporary requisition, there shall be an equitable abatement of Rent, to be determined solely by DISTRICT.

D. **Applicability of Article**

This Article shall apply only to condemnation or other proceedings or sales in avoidance of condemnation which are instituted by a public agency other than DISTRICT.

**ARTICLE 20.
DEFAULT**

Any and all of the following actions shall constitute an event of default under this LEASE on the part of LESSEE:

1. Failure to pay any installment of Rent when due and continuation of such failure to pay for five (5) business days after written demand by DISTRICT.
2. Failure to pay any other monies due DISTRICT under this LEASE within fifteen (15) days after receipt of written notice by LESSEE (unless a longer time period is provided herein).
3. Failure to pay any insurance premiums, liens, claims, demands, judgments, or other charges when due for which LESSEE is responsible under this LEASE.
4. LESSEE maintaining, committing or permitting the maintenance or

commission of a nuisance upon Premises or using the same for an unlawful purpose.

5. Abandonment of the Premises for a continuous period of thirty (30) days or more;
6. Failure to repair or maintain the Premises as provided in this LEASE.
7. Failure to perform or a breach of any other covenant, condition or restriction provided in this LEASE, which failure or breach is not cured within thirty (30) days after written notice from DISTRICT.
8. The presence, use, storage or disposal of any hazardous substance on or about the Premises in violation of the provisions of this LEASE.

ARTICLE 21. **REMEDIES FOR DEFAULT**

A. DISTRICT Rights Arising from LESSEE Default

In addition to any other remedies available by law, DISTRICT shall have the non-exclusive right, at its sole election, to pursue any or all of the following remedies in the event of default by LESSEE:

1. To notify LESSEE in writing identifying the event of default and allowing a reasonable period of time, for LESSEE to cure such default in addition to the cure periods provided in Article 20. This notice may be accompanied by a notice of termination, setting a date for termination of the LEASE in the event the default is not cured within the time granted. Such notice of termination may not set a date for termination of the LEASE of less than thirty (30) days from the date notice is given.
2. Upon termination of this LEASE, in addition to any other remedies DISTRICT may have at law, in equity or under this LEASE, DISTRICT may recover without limitation, any unpaid rent and charges equivalent to rent having accrued, all actual costs associated with recovering and/or reletting the Premises, all actual costs associated with performing LESSEE's obligations hereunder, and the worth at the time of such termination of all rent and charges equivalent to rent lost over the remainder of the Term of this LEASE, plus interest at the maximum allowed by law, but not to exceed the then existing legal limit in California.

B. Rent Due and Rights Not Waived In Event of Default

1. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or others as provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any Rent due to DISTRICT hereunder or of any damages accruing to DISTRICT by reason of the violation of any of the terms, provisions and covenants herein contained.
2. Forbearance by DISTRICT to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of any of DISTRICT's rights hereunder.

**ARTICLE 22.
SALE OF THE PREMISES BY DISTRICT**

In the event of a sale of the Premises by DISTRICT, DISTRICT shall be entirely freed and relieved of all liability under any and all of its covenants and unaccrued obligations contained in or derived from this LEASE arising out of any act, occurrence or omission after the consummation of such sale, provided that the purchaser at such sale, shall in writing covenant to and with LESSEE to carry out any and all of the covenants and obligations of DISTRICT under this LEASE.

**ARTICLE 23.
HAZARDOUS SUBSTANCES**

A. Definition

For purposes of this LEASE, the term hazardous substances shall be deemed to include:

1. Hazardous, toxic or radioactive substances as defined in California Health and Safety Code Section 25316 as amended from time to time, or the same or a related defined term in any successor or companion statutes, crude oil or byproducts of crude oil other than which exists on the property as a natural formation, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8;
2. Substances which require investigation or remediation under any federal, state or local statute, regulation, ordinance, order, policy or common law;
3. That which is or becomes defined as hazardous waste, hazardous substances, pollutant or contaminant under any federal, state or local statute, regulation, ordinance or amendment thereto, including

without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and/or the Resource Conservation and Recovery Act (RCRA);

4. That which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or likewise hazardous and is or may become regulated by any governmental authority, agency, department, commission, board of instrumentality of the United States, the State of California or any political subdivision thereof;
5. Substances, present on or about the Premises which cause or threaten to cause a nuisance thereupon or to adjacent properties or pose or threaten to pose a hazard to the health or safety of persons on or about such property;
6. Without limitation, substances containing gasoline, diesel fuel or other petroleum hydrocarbon;
7. Without limitation, substances containing polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation;
8. Notwithstanding any of the above, hazardous substances shall not be defined to include any groundwater, including any constituents in the groundwater, that LESSEE will bring on or transport through the PREMISES contained entirely within LESSEE'S IMPROVEMENTS.

B. Warranties and Representations

1. LESSEE hereby warrants and represents that it will not cause or allow to be caused the presence, use, storage or disposal of any hazardous substances on or about the Premises.
2. LESSEE hereby warrants and represents that it shall comply with all applicable federal, state, and local laws and regulations concerning the use, release, storage and disposal of hazardous substances on the Premises.

C. Notice

LESSEE agrees to immediately notify DISTRICT when, hazardous substances have been released on the Premises.

D. Damage/Spillage

1. In the event of spillage, leakage, or escape (release) of any hazardous substances onto the Premises by LESSEE or any LESSEE Parties, LESSEE shall (i) immediately notify DISTRICT at

(800) 675-4357 or (800) 675-HELP, (ii) make necessary repairs and erect necessary restraints and impoundments to prevent discharge into any property, channel, ocean drainage system or underground reservoirs, and (iii) promptly remove any and all hazardous substances that may have leaked, spilled or escaped and restore the Premises and all other affected properties and/or facilities to their former condition or equivalent, to the DISTRICT's full and complete satisfaction and as approved by EPA.

2. LESSEE further agrees that no pollutants or water carrying pollutants may be used to pressure test a pipeline, or to be discharged into DISTRICT's property, channel, underground reservoir, drainage system or the ocean unless the LESSEE receives written approval by DISTRICT. In the event such pollutants are inadvertently discharged into any such system, LESSEE shall immediately notify DISTRICT by telephone and take the appropriate action to prevent further such discharge.
3. In addition to removing any hazardous substances that are released onto the Premises by LESSEE or any LESSEE Parties, LESSEE shall be liable for and reimburse DISTRICT for any and all costs and expenses that DISTRICT may incur or suffer by reason of the escape of such substances from LESSEE'S IMPROVEMENTS. Such responsibility shall include costs or expenses as DISTRICT may incur by reason of federal, state, local or other authoritative agency's laws and regulations.

E. Indemnity

Notwithstanding any other provision in this LEASE, LESSEE agrees to indemnify, defend and save harmless DISTRICT, from and against all liability, expenses (including defense costs, legal fees, and response costs) and claims for damages of any nature whatsoever which arise out of the presence or unpermitted release of hazardous substances on or from the Premises, which is caused by LESSEE's or any LESSEE Party.

F. Default

The unpermitted release of hazardous substances on the Premises in violation of this Article 23 shall constitute an event of default as defined in Article 20. Default and shall be subject to the remedies set forth in Article 21.

G. Survival

The provisions, warranties and representations set forth in this Article shall survive the termination of this LEASE without limiting the survival of any other provisions of this LEASE.

ARTICLE 24.
ESTOPPEL CERTIFICATES

DISTRICT and LESSEE shall, respectively, within thirty (30) days after receipt of written request by the other, deliver to the requesting party an executed and acknowledged written statement referred to as an Estoppel Certificate, certifying that (1) this LEASE is unmodified and in full force and effect (or if there has been any modification(s) thereof that the same is in full force and effect as modified, and stating the nature of the modification or modifications), (2) to its knowledge the requesting party is not in default under this LEASE (or if any such default exists, the specific nature and extent thereof), and (3) any date(s) to which Rent and other charges have been paid in advance. Each certificate delivered pursuant to this Article may be relied upon by any prospective purchaser or transferee of the Premises or of DISTRICT's or LESSEE's interest hereunder or by any fee or leasehold mortgagee of Premises or of DISTRICT's or LESSEE's interest hereunder or by any assignee of any such mortgage.

ARTICLE 25.
JOINDER IN INSTRUMENTS; LOT SPLIT, ZONING

Upon request of the other, DISTRICT at its discretion and LESSEE shall join in any instruments of conveyance, dedication, grant of easement or license, or other instrument as shall be reasonably necessary or convenient to provide public utility service and/or public roadway access to the Premises or any portion(s) thereof or to obtain proper zoning, lot splits, etc., covering the Premises. DISTRICT shall not be required to incur any cost or expense by virtue of the provisions of this Article.

ARTICLE 26.
EXCUSABLE DELAYS

If either Party is delayed, prevented or hindered from the performance of any covenant or condition of this LEASE due to acts of the other party, acts of God, action of the elements, war, invasion, insurrection, acts of a public enemy, riot, mob violence, civil commotion, sabotage, labor disputes, laws, moratoriums, financial inability excepted, such performance shall be excused for the period of the delay (and the period for such performance shall be extended for a period equivalent to the period of such delay). Nothing herein, however, shall excuse LESSEE from the obligation to pay Rent hereunder.

ARTICLE 27.
NON DISCRIMINATION

A. Use of The Premises

LESSEE doing business with any person, club, business, contractor or organization involved on the Premises, agrees that in the use of the Premises, persons or prospective persons shall not be denied or selected because of race, religion, ancestry, national origin or sex, and shall comply with all Federal and State laws prohibiting discrimination including,

but not limited to, the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the State Fair Employment Practices Act.

B. Employees

LESSEE agrees that all persons employed thereby shall be treated equally without regard to or because of race, religion, ancestry, national origin or sex, and in compliance with all Federal and State laws prohibiting discrimination in employment, including, but not limited to, the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the State Fair Employment Practices Act.

C. Subcontractors

LESSEE agrees that subcontractors, bidders and vendors thereof are and shall be selected without regard to or because of race, religion, ancestry, national origin or sex.

D. Records

All contracting and construction records relating to work performed by or for LESSEE at the Premises shall be open for inspection and reinspection at any reasonable time upon advance notice from DISTRICT during the term of this LEASE for the purpose of verifying the practice of non-discrimination by LESSEE in the areas heretofore described.

E. Breach

DISTRICT has the option to terminate this LEASE or charge damages for each breach of the promises of non-discrimination. The sum of Five Thousand Dollars (\$5,000) is hereby agreed upon as the amount of damages that will be assessed to LESSEE and paid to DISTRICT for each breach of the promises of non-discrimination contained herein. Said amount has been agreed to by both parties in recognition of the difficulty in fixing actual damages arising from a breach thereof.

DISTRICT'S initials _____ LESSEE'S initials _____

**ARTICLE 28.
QUIET ENJOYMENT**

Subject to the Provision of Article 3 above and Article 29 below, DISTRICT covenants that LESSEE upon timely and properly performing LESSEE's obligations herein shall have the quiet and undisturbed possession of the LESSEE IMPROVEMENTS throughout the Term of this LEASE.

ARTICLE 29. **RESERVATIONS**

A. Reservation to Use of The Premises

1. DISTRICT reserves the right to use the Premises (but not LESSEE's IMPROVEMENTS located thereon without prior written approval from LESSEE) for any and all lawful purposes in addition to flood control, water conservation, and watershed management, including but without limitation, public transportation, utilities, roads, parks and recreation, parking, public/private development and/or other related uses together with incidental rights of construction and installation of facilities, ingress and egress, operation, and maintenance. The exercise of the rights reserved herein shall not be inconsistent with LESSEE's use or constitute unreasonable interference.
2. Interruption of LESSEE's use, for a period at DISTRICT's sole discretion, to permit construction and installation of other facilities, shall not be deemed unreasonable interference, subject to concurrence by EPA.
 - a. LESSEE shall be notified at least ninety (90) days prior to the commencement of any such construction or alteration. Rent for that portion affected shall abate in proportion during such periods that LESSEE is denied use thereof.
 - b. No utilities or support structures shall be attached to, built upon, or otherwise unreasonably interfere with LESSEE's use without the written approval of LESSEE.

B. Right of Entry for Inspection, Emergencies, etc.

1. Notwithstanding any other provision in this LEASE, DISTRICT reserves the right to enter the Premises by its authorized personnel, employee(s), contractor(s), or agent(s) in order to inspect the Premises for any purposes incidental to the rights or duties of DISTRICT, and for the protection, maintenance, construction, reconstruction and operation of DISTRICT's facilities. The right to inspect reserved to DISTRICT shall not obligate DISTRICT to make inspections to ascertain the condition of the Premises and shall not impose liability upon DISTRICT for failure to inspect.
2. Notwithstanding any other provision in this LEASE, DISTRICT shall

have the right, as it deems necessary, to immediately possess the Premises for the purpose of preventing sabotage, for the protection of DISTRICT's facilities, to carry out any of its duties or function (Flood Control Functions) set forth in the Los Angeles County Flood Control Act, California Water Code, Uncodified Acts, Act 4463, to protect human health and safety, and in an emergency where DISTRICT has cause to believe that lives or excessive property or environmental damage are threatened. The Flood Control Functions of the DISTRICT shall be deemed paramount to the LESEE's right under this LEASE.

ARTICLE 30. WARRANTIES

A. No Warranty of Title

DISTRICT makes no warranties as to whether the Premises delivered to LESSEE are free and clear of any claims, obligations, mortgages, tax assessments, liens and encumbrances. LESSEE may, at its sole cost and expense, procure a policy of title insurance.

B. No Warranty of Soil

DISTRICT makes no covenants or warranties with respect to the condition of the soil, subsoil or any other condition of the Premises either as existing, or as may be discovered by specific tests as delineated in Article 9.C.

C. No Warranty of Use

DISTRICT makes no representations or covenants or warranties as regards LESSEE'S proposed or actual use of the Premises or LESSEE IMPROVEMENTS thereon.

ARTICLE 31. OPERATIONS AND SUPERVISION

A. Operations

LESSEE shall operate all its LESSEE IMPROVEMENTS on and adjacent to the Premises comparable with other such operations and in a manner similar with those prevailing in the area and other areas in Southern California. LESSEE shall at all times during the Term of this LEASE provide adequate security measures to reasonably protect persons and property on the Premises.

B. Supervision by LESSEE

LESSEE's management shall be personally experienced and skilled in management of operations as described herein. LESSEE shall ensure and provide efficient supervision of LESSEE's operations, using its best skill, and shall keep employed at all times, during any construction activities on the Premises, a competent supervisor and any necessary assistants.

LESSEE's supervisor shall represent LESSEE in its absence for the operation of the facility upon the Premises, and all directions given to LESSEE'S supervisor shall be as binding as if given to LESSEE; provided, however, if LESSEE's supervisor does not comply with said request, DISTRICT may serve notice pursuant to Article 32.A.

ARTICLE 32.
MISCELLANEOUS

A. Notices

1. Any notice to be given or other document to be delivered by either party to the other hereunder may be delivered in person to either party or by private courier or may be deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed to the party for whom intended as follows:

To DISTRICT: Los Angeles County Flood Control District
P.O. Box 1460
900 South Fremont Avenue
Alhambra, California 91802 1460
Attn: Mapping & Property Management Division

To LESSEE: Joseph C. Kelly
Montrose Chemical Corporation of California
600 Erickson Avenue NE, Suite 380
Bainbridge Island, WA 98110
Work: (206) 780-9840
Fax: (206) 780-2109

With copies to:

Kelly E. Richardson
Latham & Watkins LLP
600 West Broadway, Suite 1800

San Diego, CA 92101
Work: (619) 236-1234
Fax: (619) 696-7419
E-Mail: Kelly.Richardson@lw.com

2. Either party hereto may from time to time by written notice to the other party designate a different address which shall be substituted for the one above specified. If any notice or other document is sent by registered or certified mail, as aforesaid, the same shall be deemed served or delivered twenty four (24) hours after the mailing therefore as above provided.

B. Waiver

No waiver by either party of any breach by the other party of any term, covenant or condition of this LEASE shall be deemed a waiver of any other breach of the same or any other term, covenant or condition of the LEASE. The payment or acceptance of Rent hereunder shall not be deemed a waiver of any breach of any term, covenant or condition of this LEASE.

C. Holding Over

1. If LESSEE shall hold over Premises after the expiration of the terms hereof with the consent of DISTRICT, either expressed or implied, such holding over shall be construed to be a month to-month tenancy only, subject to all the covenants, conditions and obligations hereof.
2. Nothing herein contained shall be construed to give LESSEE any rights to so hold over and to continue in possession of the Premises after the expiration of the terms hereof.

D. LEASE Binding Upon Successors and Assigns

Subject to the limitations on assignment, each of the terms, covenants and conditions of this LEASE extend to, bind and inure to the benefit of not only DISTRICT and LESSEE, but each of their successors and assigns. Whenever reference is made to either DISTRICT or LESSEE in this LEASE, the reference shall be deemed to include, wherever applicable, the successors and assigns of such parties the same as if in every case expressed.

E. Covenants

All provisions of this LEASE, whether covenants or conditions, on the part of LESSEE, shall be deemed to be both covenants and conditions.

F. Negation of Partnership

Nothing in this LEASE shall be construed to render DISTRICT in any way or for any purpose a partner, joint venturer, or associate in any relationship with LESSEE other than that of landlord and tenant, nor shall this LEASE be construed to authorize either to act as agent for the other unless expressly provided in this LEASE.

G. Quitclaim

At the expiration or earlier termination of this LEASE, LESSEE shall execute, acknowledge and deliver to DISTRICT within thirty (30) days after written demand from DISTRICT to LESSEE, any quitclaim deed or other document as may be required by and on a form acceptable to any reputable title company, including DISTRICT's Title Officer, to remove the cloud of this LEASE from the title of the real property subject to this LEASE. The quitclaim deed shall also confirm title in LESSEE's Improvement(s) to DISTRICT, which DISTRICT has elected to retain pursuant to Article 9, herein.

H. Number and Inclusion, Joint and Several

Whenever the singular number is used in this LEASE and when required by the context, the same shall include the plural, and the word person shall include corporation, firm or association.

If there is more than one LESSEE, the obligations imposed under this LEASE upon LESSEE shall be joint and several.

I. Headings and Titles

The marginal headings or titles to the paragraphs of this LEASE are not a part of this LEASE and shall have no effect upon the construction or interpretation of any part herein.

J. Compliance with Governmental Regulations

LESSEE shall, at its own cost and expense, promptly and properly observe, comply with and execute, including the making of any alteration, addition or change to the Premises, all present and future orders, regulations, directions, rules, laws, ordinances and requirements of all governmental authorities having jurisdiction over LESSEE and the GWTS (including but not limited to state, municipal, and federal governments and their departments, bureaus, boards and officials), arising from the use or occupancy of, or applicable to, the Premises, or the other privileges appurtenant to or connected with the enjoyment of the Premises. LESSEE shall have the right to contest or review, by legal procedure or in such other manner as LESSEE may deem suitable, at its own expense,

any such order, regulation, direction, rule, law, ordinance or requirement and if able, may have the same canceled, removed, revoked or modified, provided that DISTRICT is not subjected to a criminal prosecution and that DISTRICT's title to the Premises is not subject to forfeiture. Any such proceedings shall be conducted promptly and shall include, if LESSEE so decides, appropriate appeals. Whenever requirements become absolute after a contest, LESSEE shall diligently comply with the same or so much thereof as shall have been judicially sustained.

K. Ineligibility for Relocation Assistance

LESSEE expressly acknowledges that LESSEE is a post acquisition tenant, and termination by reasons of an exercise of the rights herein reserved to DISTRICT, breach of the LEASE terms by LESSEE, expiration of the term hereof, or termination for any other reason shall not entitle LESSEE to a claim of status as a displaced person as such is defined in Section 7260 (b)(c)(d) of the Government Code of the State of California. LESSEE hereby disclaims such status and hereby acknowledges its ineligibility for relocation assistance as provided in Government Code Sections 7260 through 7277, as it exists or as it may be amended.

L. Storage of Materials

LESSEE shall not use the Premises for the temporary or permanent storage of excavated materials, rock, sand, cement, or other material or any equipment except as specifically approved in writing from DISTRICT.

M. Entire LEASE

This LEASE contains the entire LEASE of the parties and of matters covered hereby, and no other previous agreement, statement or promise made by any party hereto which is not contained herein shall be binding or valid unless in writing and properly executed by both parties.

N. Time of Essence

Time is of the essence with respect to obligations to be performed under this LEASE.

O. Claims and Protest

1. During reasonable hours and upon seven (7) days notice, DISTRICT, its agents or employees shall have the right, but not the obligation, to enter upon and inspect the Premises and operations and to make written Demand to Perform upon LESSEE to perform its obligations under this LEASE. Such Demand shall specify the obligations to be performed. LESSEE shall immediately perform its obligations placed upon LESSEE by DISTRICT. If LESSEE

disputes such Demand, within thirty (30) days after any such Demand is given, LESSEE shall file a written Protest of Demand with DISTRICT stating clearly and in detail its objections and reasons.

2. If LESSEE does not file such protest within thirty (30) days, LESSEE shall be deemed to have waived and does hereby waive all claims for damages and adjustments against DISTRICT arising out of the Demand.

P. Monetary Obligations as Rent

All monetary obligations owed by LESSEE to DISTRICT shall be deemed to be Rent.

Q. Savings Clause

If any provision or provisions of this LEASE are for any reason adjudged to be unenforceable or invalid, it is the specific intent of the parties that the remainder shall subsist, be, and remain in full force and effect.

R. Protection of The Premises

LESSEE shall maintain its LESSEE IMPROVEMENTS in such a manner as to protect DISTRICT's property from damage, injury, loss or liability arising from rainfall or other action(s) of the elements.

S. Authority to Enter LEASE

LESSEE and DISTRICT individually and severally attest that they are duly authorized to execute this LEASE.

T. Laws

LESSEE shall otherwise observe and comply with any and all applicable public laws, ordinances and regulations, applying to Premises during the term of this LEASE.

ARTICLE 33.
RECORDATION OF LEASE

This LEASE or a Memorandum of LEASE shall be properly acknowledged by the parties in recordable form and shall be recorded by DISTRICT. As a condition precedent to the recordation, the recording fee and the costs of all municipal and DISTRICT documentary transfer taxes as established by the office of the Registrar Recorder of Los Angeles County, California, shall be paid by LESSEE.

ARTICLE 34.

COUNTY LOBBYIST

LESSEE shall be familiar with and adhere to Los Angeles County Code Section 2.160.010, County Lobbyist. Each County Lobbyist as defined by Los Angeles County Code Section 2.160.010 retained by LESSEE and/or LESSEE'S representative or agent shall fully comply with provisions set forth therein. Failure on the part of any Lobbyist retained by LESSEE or LESSEE'S representative or agent to fully comply with said County Code shall constitute a material breach of this LEASE upon which the DISTRICT may immediately suspend or terminate this LEASE.

ARTICLE 35. **DECLARATION OF KNOWLEDGE BY LESSEE**

LESSEE warrants that LESSEE has carefully examined this LEASE and by investigation of the site and of all matters relating to the LEASE arrangements has fully informed itself as to all existing conditions and limitations affecting the construction of LESSEE IMPROVEMENTS thereon and business practices required in the operation and management of the uses contemplated hereunder.

ARTICLE 36. **DEFINITIONS**

ADDITIONAL RENT: Any and all amounts other than annual Rent, including late fees and interest required to be paid by LESSEE under this LEASE.

AFFILIATED ENTITY: Any subsidiary corporation, joint venture, partnership or other relationship where LESSEE or any of its principals or owners are officers, shareholders or otherwise interested.

CONSUMER PRICE INDEX-ALL URBAN CONSUMERS (CPI-U): The Index published by the US Department of Labor, Bureau of Labor Statistics that tracks change in the cost of living for all urban consumers in the Los Angeles County area.

DAYS: All references to days shall be in calendar days unless otherwise noted.

INSURANCE TRUSTEE: The Los Angeles County Flood Control District or any California or federally chartered savings and loan association, a federally chartered bank, or trust company, preferably with an office or branch located within twenty miles of the Premises as shall be approved by DISTRICT.

MINOR REPAIR(S): Any routine repairs and maintenance, including graffiti removal, which does not include any penetration of the soil's surface, to the Premises and/or LESSEE IMPROVEMENTS thereon.

//

//

ACKNOWLEDGMENTS

IN WITNESS WHEREOF, the said LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic, by order of its Board of Supervisors, has caused the LEASE to be subscribed by the Chairman of the Board and the seal of said DISTRICT to be affixed hereto and attested by its Executive Officer of the Board of Supervisors, and the LESSEE has hereunto subscribed their names, the day and year first above written.

LESSEE

**MONTROSE CHEMICAL
CORPORATION OF CALIFORNIA**
a Delaware Corporation

By: _____

By: _____

DISTRICT

**LOS ANGELES COUNTY FLOOD CONTROL
DISTRICT**, a body corporate and politic

By: _____
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI, Executive Officer
of the Board of Supervisors
of the County of Los Angeles

APPROVED AS TO FORM:

JOHN F. KRATTLI
Acting County Counsel

By _____
Deputy

By _____
Deputy

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES) ss.
)

On January 6, 1987, the Board of Supervisors for the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts adopted a resolution pursuant to Section 25103 of the Government Code that authorized the use of facsimile signatures of the Chairman of the Board on all papers, documents, or instruments requiring the Chairman's signature.

The undersigned hereby certifies that on this _____ day of _____, 20_____, the facsimile signature of _____, Chairman of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, was affixed hereto as the official execution of this document. The undersigned further certifies that on this date a copy of the document was delivered to the Chairman of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT.

In witness whereof, I have also hereunto set my hand and affixed my official seal the day and year above written.

SACHI A. HAMAI, Executive Officer
of the Board of Supervisors
of the County of Los Angeles

(LACFCD-SEAL)

By _____ Deputy

APPROVED AS TO FORM

JOHN F. KRATTLI
Acting County Counsel

By _____
Deputy

ACKNOWLEDGMENT FORM

STATE OF CALIFORNIA)
COUNTY OF _____) ss.
On _____ before me, _____ Notary Public,
personally appeared _____
(insert name(s) and title(s))

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____

(Seal)

ACKNOWLEDGMENT FORM

STATE OF CALIFORNIA)
COUNTY OF _____) ss.
On _____ before me, _____ Notary Public,
personally appeared _____
(insert name(s) and title(s))

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____

(Seal)

EXHIBIT A

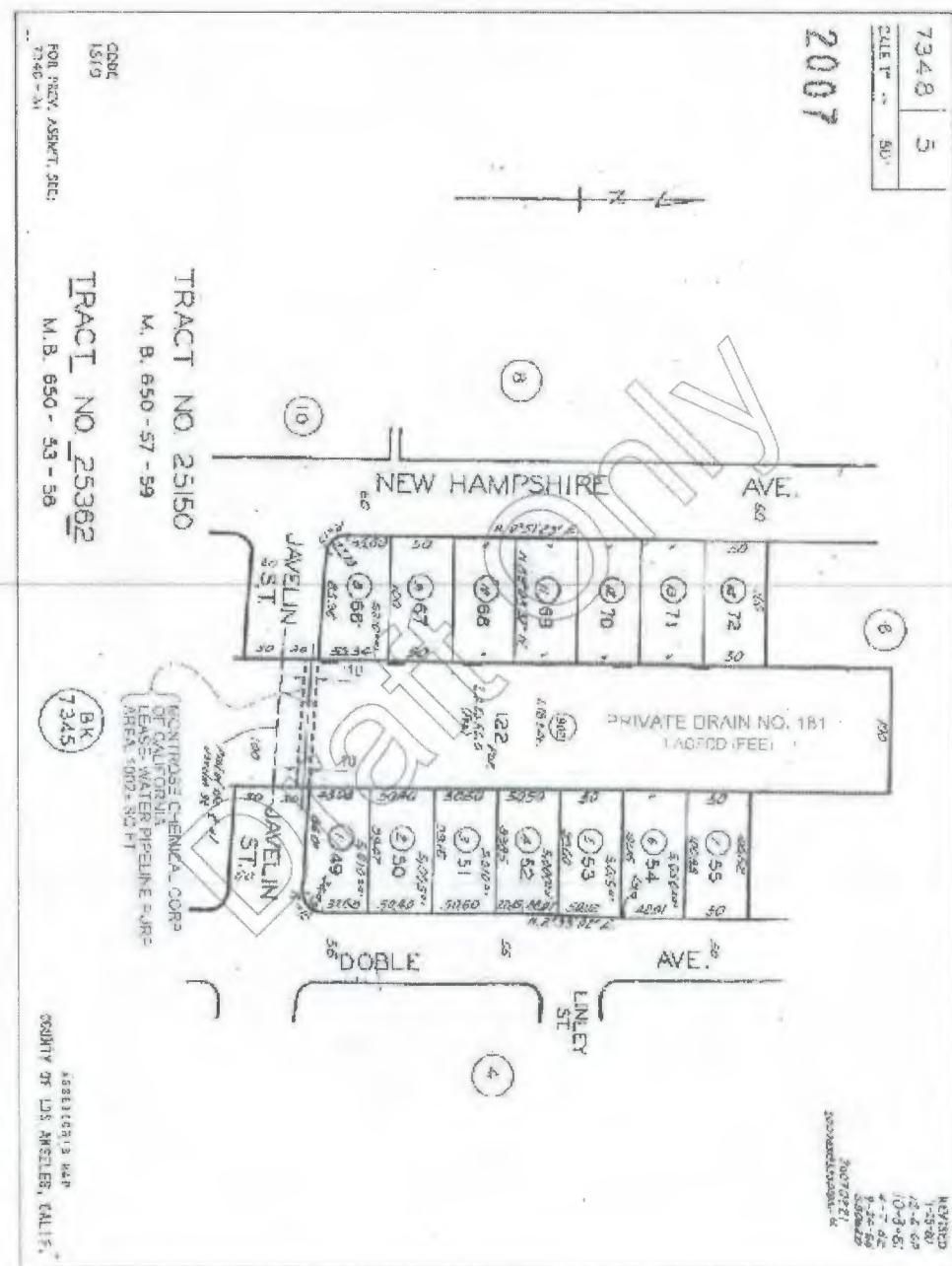


EXHIBIT B

Pursuant to Article 10 of this Lease (Security/Bond), in order to trigger the Security Transition Date and to relieve Montrose of the obligation of maintaining a bond, conditions and requirements substantially the same as the following must be included in the Operations and Maintenance Consent Decree or attached Statement of Work:

1. Compliance with Lease

To the extent that elements of work required under this SOW occur on property controlled by the Los Angeles County Flood Control District (the “District”), Montrose shall comply with the requirements of the Lease entered into between Montrose and the District on [Date].

2. Pipeline Abandonment/Removal Work Plan

At the termination or expiration of the Lease, or at such time that the Environmental Protection Agency (“EPA”) provides written notification that access to property controlled by the District is no longer necessary to conduct the elements of work required by this SOW, Montrose or other Work Group 1 defendant named in the Consent Decree shall remove or abandon the facilities within District's property as directed by District at their expense in accordance with all then existing abandonment and/or removal procedures required by the District for pipelines and wells in District's rights-of-way. At the termination or expiration of the Lease, or at such time that the EPA provides written notification that access to property controlled by the District is no longer necessary to conduct the elements of work required by this SOW, Montrose or other Work Group 1 defendant named in the Consent Decree shall remove or abandon the facilities within District's property at their expense as directed by District in accordance with all then existing abandonment and/or removal procedures required by District for pipelines and wells on District property. The removal or abandonment must be completed in accordance with a Work Plan approved by the District documenting the following:

- The anticipated schedule for abandonment/removal
- Traffic control and public protection procedures, if applicable
- A description of waste handling procedures and sampling to be performed, if any
- Other pertinent information regarding the specific field activity.

EXHIBIT C

Pursuant to Article 14 of this Lease (Indemnification and Insurance), in order to relieve Montrose of the obligation to maintain the Environmental Impairment Liability Insurance, language substantially similar to the following must be included in an agreement between Montrose and the EPA such as an Operations and Maintenance Consent Decree or attached Statement of Work:

Upon the occurrence of any event during performance of the Work that Settling Defendants are required to report pursuant to Section 103 of CERCLA, 42 U.S.C. § 9603, or Section 304 of the Emergency Planning and Community Right-to-know Act (“EPCRA”), 42 U.S.C. § 11004, Settling Defendants shall within 24 hours of the onset of such event orally notify the EPA Project Coordinator or the Alternate EPA Project Coordinator (in the event of the unavailability of the EPA Project Coordinator), or, in the event that neither the EPA Project Coordinator nor Alternate EPA Project Coordinator is available, the Emergency Response Section, Region ___, United States Environmental Protection Agency. These reporting requirements are in addition to the reporting required by CERCLA Section 103 or EPCRA Section 304.

If any action or occurrence during the performance of the Work that causes or threatens a release of Waste Material from the Site that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, Settling Defendants shall, subject to [the following paragraph], immediately take all appropriate action to prevent, abate, or minimize such release or threat of release, and shall immediately notify the EPA’s Project Coordinator, or, if the Project Coordinator is unavailable, EPA’s Alternate Project Coordinator. If neither of these persons is available, Settling Defendants shall notify the EPA [Emergency Response Unit], Region ___. Settling Defendants shall take such actions in consultation with EPA’s Project Coordinator or other available authorized EPA officer and in accordance with all applicable provisions of the Health and Safety Plans, the Contingency Plans, and any other applicable plans or documents developed pursuant to the SOW. In the event that Settling Defendants fail to take appropriate response action as required by this Section, and EPA [or, as appropriate, the State] take[s] such action instead, Settling Defendants shall reimburse EPA [and the State] all costs of the response action under Section [] (Payments for Response Costs).

Subject to Section [] (Covenants by Plaintiff[s]), nothing in the preceding Paragraph or in this Consent Decree shall be deemed to limit any authority of the United States [, or the State,] (a) to take all appropriate action to protect human health and the environment or to prevent, abate, respond to, or minimize an actual or threatened release of Waste Material on, at, or from the Site, or (b) to direct or order such action, or seek an order from the Court, to protect human health and the environment or to prevent, abate, respond to, or minimize an actual or threatened release of Waste Material on, at, or from the Site.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Montrose Chemical Corp of California

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is made as of between the Los Angeles County Flood Control District, a body Corporate and politic (DISTRICT) and Montrose Chemical Corporation of California, a Delaware corporation (LESSEE).

DISTRICT has leased to LESSEE and LESSEE has hired from DISTRICT all of that certain land located in the City of Los Angeles, County of Los Angeles, State of California, as more particularly described in Exhibit A, attached hereto (the Land), together with all improvements now or hereafter located on the Land, pursuant to the terms of that certain unrecorded LEASE dated _____, (the LEASE).

The initial term of the LEASE (the Initial Term) commenced on the _____ (as defined in the LEASE) and shall expire on the last day prior to the fiftieth (50th) anniversary thereof, unless sooner terminated or extended.

The rentals to be paid by LESSEE and all of the rights and obligations of the parties with respect to the above described property are set forth in the LEASE.

The Anniversary Date, as defined in the LEASE is _____.

This instrument is a Memorandum of the LEASE and is solely for recording purposes and shall not be construed to alter, modify or supplement the LEASE.

IN WITNESS WHEREOF, this Memorandum of LEASE has been duly executed by the parties hereto the day and year first above written.

DISTRICT

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT
a body corporate and politic

By: _____
Chairman, Board of Supervisors of the
Los Angeles County Flood Control District

ATTEST:

SACHI A. HAMAI, Executive Officer
of the Board of Supervisors
of the County of Los Angeles

By _____
Deputy

LESSEE
MONTROSE CHEMICAL
CORPORATION OF CALIFORNIA
a Delaware Corporation

APPROVED AS TO FORM:

JOHN F. KRATTI
Acting County Counsel

By _____
Deputy

By: _____

By: _____

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)
 ss.

On January 6, 1987, the Board of Supervisors for the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts adopted a resolution pursuant to Section 25103 of the Government Code that authorized the use of facsimile signatures of the Chair of the Board on all papers, documents, or instruments requiring the Chair's signature.

The undersigned hereby certifies that on this _____ day of _____, 20_____, the facsimile signature of _____, Chair of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, was affixed hereto as the official execution of this document. The undersigned further certifies that on this date a copy of the document was delivered to the Chair of the Board of Supervisors of the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT.

In witness whereof, I have also hereunto set my hand and affixed my official seal the day and year above written.

SACHI A. HAMAI, Executive Officer
of the Board of Supervisors
of the County of Los Angeles

By _____ Deputy

(LACFCD-SEAL)

APPROVED AS TO FORM

JOHN F. KRATTLI
Acting County Counsel

By _____
Deputy

ACKNOWLEDGMENT FORM

STATE OF CALIFORNIA

)
)
ss.
)

COUNTY OF _____

On _____, before me, _____, Notary Public,
(insert name of the officer) (insert title of the officer)
personally appeared _____

(insert name(s) and title(s))

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

ACKNOWLEDGMENT FORM

STATE OF CALIFORNIA

)
)
ss.
)

COUNTY OF _____

On _____ before me, _____, Notary Public,
(insert name of the officer) (insert title of the officer)
personally appeared _____

(insert name(s) and title(s))

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

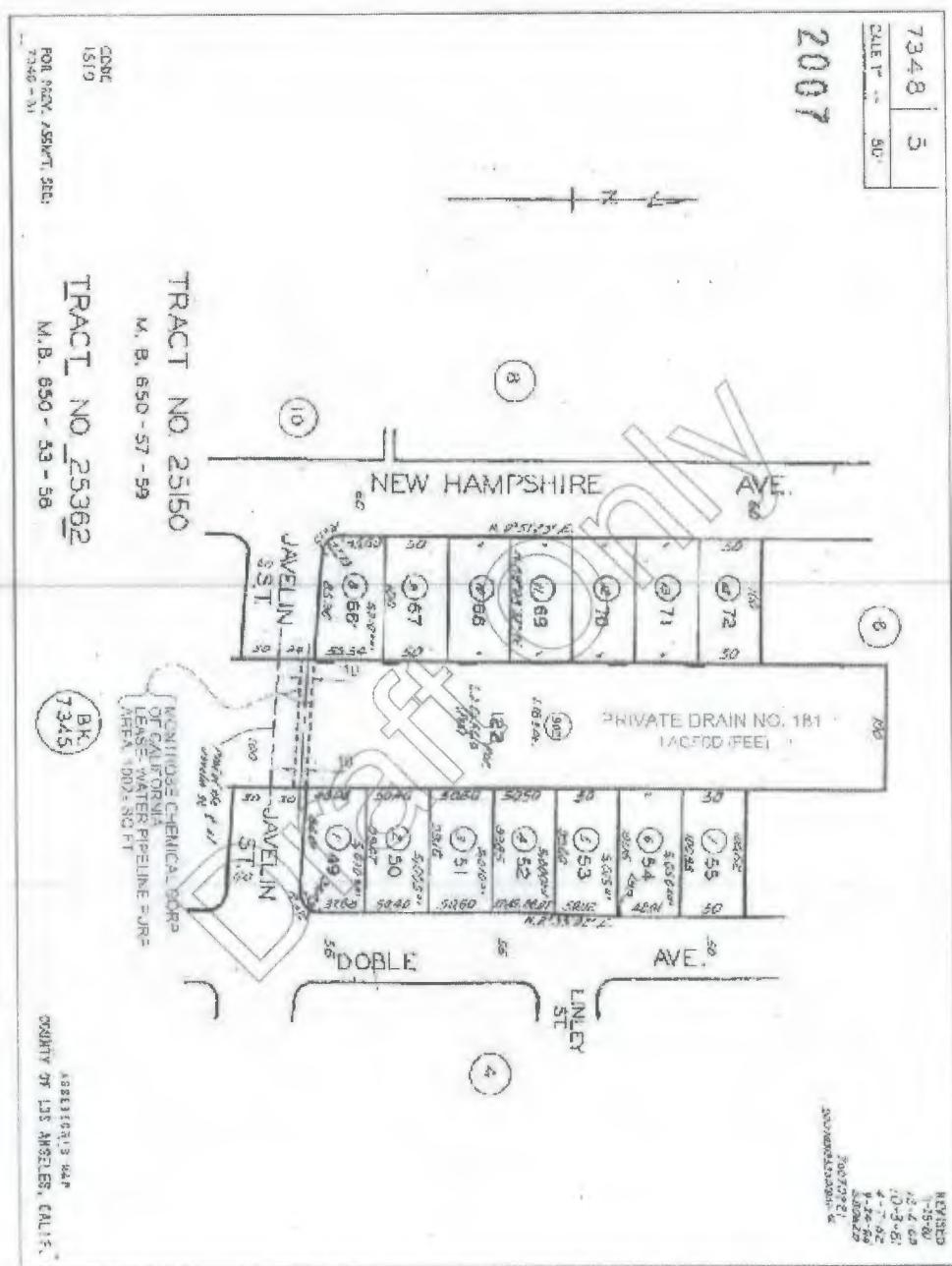
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT A



ANALYSIS

This ordinance grants a well and water pipeline franchise to Montrose Chemical Corporation of California, a Delaware Corporation ("Franchisee"), to construct facilities including pipelines, wells, valves, vaults, control boxes, and other appurtenant facilities in connection with a groundwater remediation project implemented by Franchisee pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, for a period of fifty (50) years. Franchisee will pay a one-time fee to the County of Los Angeles of eighty thousand dollars (\$80,000) to cover the franchise fee and all administrative costs associated with the franchise.

JOHN F. KRATTLI
County Counsel

By *Julia Westman*
JULIA C. WEISSMAN
Deputy County Counsel
Public Works Division

JCW:jyj

Requested: 06/10/13
Revised: 07/08/13

ORDINANCE NO. _____

An ordinance granting a well and water pipeline franchise to Montrose Chemical Corporation of California, a Delaware corporation ("Franchisee") who is required by the U.S. Environmental Protection Agency ("EPA") pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), to construct and operate a groundwater treatment system to remediate contaminated groundwater in the unincorporated area of the County of Los Angeles ("Groundwater Treatment System" or "GWTS"), for a period of fifty (50) years. The GWTS will comprise a series of pipelines, extraction and injection wells, and other appurtenant facilities as described below, a portion of which will be located in County highways, as well as a groundwater treatment plant which will be located outside of the County right-of-way. The pipelines will transport water extracted from the extraction wells to Franchisee's groundwater treatment plant, and then transport the treated water to the injection wells.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Franchise Term; Grant.

The right, privilege, and franchise is granted to Franchisee, and its successors and assigns, for a period of fifty (50) years, beginning on September 26, 2013, the effective date of this franchise, to lay, construct, reconstruct, maintain, operate, renew, repair, change the size of, remove, or abandon in place, wells, pipes, pipelines, valves, vaults, control boxes and other appurtenant facilities for the extraction, injection, and transportation of groundwater, together with all manholes, valves, control wires, cathodic protection systems, appurtenances and service connections necessary or

appropriate for the operation of said wells, pipes, pipelines, vaults, control boxes and adjunct communication lines, including poles, conduits, wires, cables, and other equipment for data communication lines necessary or appropriate for Franchisee's GWTS ("Franchise Facilities") on, along, upon, in, under, or across any and all highways as defined in Section 16.36.080 of the Los Angeles County Code ("County Code") now or hereafter dedicated to public use within that portion of the unincorporated territory of the County of Los Angeles ("County"), State of California, generally between Del Amo Boulevard to the north, 213th Street to the south, Vermont Avenue to the east, and Normandie Avenue to the west, more particularly shown on Exhibit A attached hereto and made a part hereof ("Franchise Area").

SECTION 2. Consideration; Payment of Fees.

A. All fees set forth in this ordinance shall be made payable to the County of Los Angeles, c/o Department of Public Works, P.O. Box 1460, Alhambra, California 91803.

B. Franchise Fee. As consideration for this franchise granted, Franchisee shall pay the County a one-time fee of eighty thousand dollars (\$80,000), comprised of a payment of a deposit of twenty-five thousand dollars (\$25,000) made by Franchisee on March 1, 2011, plus a payment of fifty-five thousand dollars (\$55,000) to be made within thirty (30) days after the adoption of this ordinance. This fee is intended to be comprehensive, and include all County franchise and permit fees imposed in connection with the franchise. Except as provided in this Section 2, and subject to the insurance and indemnification requirements of Section 3, no additional fees or assessments,

including administrative, permitting and processing fees, shall be assessed in connection with the grant of this franchise.

C. Additional Franchise Fees. Any addition of substantially greater facilities than originally contemplated by Franchisee and the County at the time of adoption of this franchise, shall be subject to approval by the County, and upon sixty (60) days advanced notice, Franchisee may be required to pay an additional fee to supplement the Franchise Fee. Such additional fee shall be calculated in a manner that is consistent with the method utilized to calculate the original Franchise Fee.

D. Late Payments. In the event Franchisee fails to make full payment of any of the payments provided for herein on or before the dates they are due, Franchisee shall pay a late charge of ten percent (10%) of the amount due, said ten percent (10%) being due thirty (30) days after the date payments are due. The ten percent (10%) has been set by both parties hereto in recognition of the difficulty in affixing actual damages from a breach of said time performance requirement.

In the event full payment of any rate, payment, or fee, including the ten percent (10%) late charge, is not received within sixty (60) days after the due date, an assessment of interest shall accrue on the unpaid balance at one percent (1%) per month beginning on the sixty-first (61st) day after the due date.

SECTION 3. Indemnification and Insurance.

The following requirements apply to this franchise:

A. Indemnification. Franchisee shall indemnify, defend, and hold harmless the County and its special districts, elected and appointed officers, employees, and

agents ("County agents") from and against any and all liability and reasonable expenses, including claims and lawsuits relating to or arising from the County's grant of this franchise, claims and lawsuits relating to obligations under the California Environmental Quality Act or National Environmental Policy Act in connection with the County's grant of this franchise, and for injuries or damages of any nature whatsoever, including but not limited to bodily injury, death, personal injury, or property damage, including property of Franchisee, pollution liability, defense costs, attorneys' fees, and workers' compensation benefits, based upon, arising from, or relating to either:

(1) Franchisee's use of this franchise and the operations of Franchisee, its employees, agents, servants, receivers, contractors, subcontractors, successors, or assignees ("Franchisee's agents") in connection with this franchise; and/or (2) any acts or omissions of Franchisee, Franchisee's agents, or any person in connection with activities or work conducted or performed pursuant to this franchise. Franchisee shall also indemnify, defend, and hold harmless the County and the County's agents, from and against any and all pollution liability, contamination, or environmental degradation liability, including any and all reasonable expenses, claims, and lawsuits for injuries or damages of any nature whatsoever, defense costs, attorneys' fees, and workers' compensation benefits, arising from or relating to any threatened, actual, or alleged unpermitted discharge, dispersal, release, or escape of any substance into or upon any person, thing, or place, including the land, soil, atmosphere, man-made structure, and/or any above or below ground watercourse or body of water, in connection with this franchise. Notwithstanding the foregoing, Franchisee shall not be obligated to

indemnify the County and the County's agents for any liability and expense arising from the active negligence or willful misconduct of the County or the County's agents, or arising from hazardous substances not conveyed within the Franchise Facilities and not caused by Franchisee or Franchisee's agents.

B. In addition to any other reporting obligations that Franchisee may have to any other agencies, Franchisee shall immediately notify the County of all unpermitted discharges, releases, or escapes of any treated or untreated groundwater or any other substance from the Franchisee Facilities within the Franchise Area. All actions to investigate, remove or remediate any substance reasonably demonstrated to be discharged, dispersed, released, or escaped from the Franchisee Facilities without the appropriate permit, and to repair or restore Franchisee Facilities shall be the sole responsibility of Franchisee and shall be conducted by Franchisee or Franchisee's agents in conformance with any and all applicable laws, ordinances, rules, regulations, requirements, and orders whatsoever, present or future, of the federal, state, county, or other local government with no expense to the County, and shall be immediately undertaken. If within a reasonable period of time, Franchisee fails to take any action required pursuant to this section, the County may, but shall not be obligated to, take all investigative, remedial, or removal actions it deems appropriate at Franchisee's expense that are not inconsistent with any directives or requirements of the EPA. Upon written demand by the County, Franchisee shall reimburse the County for all expenses reasonably incurred in connection with the County's actions, including, but not limited to, all direct and indirect costs relating to investigation, remediation, and removal.

C. Insurance. Without limiting Franchisee's obligation to indemnify the County or the County's agents, as required by this section, Franchisee shall provide and maintain or cause to be provided and maintained through its contractors or agents at its own expense during the term of this franchise, the following programs of insurance. Such programs and evidence of insurance shall be satisfactory to the County, and shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County.

1. Certificate(s) Declaration page(s) or other evidence of coverage satisfactory to the County shall be delivered on or before the effective date of this franchise, and on or before the expiration date of each term of insurance, to the County. Such certificates or other evidence shall:
 - a. Specifically identify this franchise ordinance;
 - b. Clearly evidence all insurance required in this franchise ordinance;
 - c. Contain the express condition that the County is to be given written notice by registered mail at least thirty (30) days in advance of any modification, non-renewal, cancellation, or termination of any program of liability insurance, and at least thirty (30) days in advance of any modification, non-renewal, cancellation, or termination of any program of workers' compensation or other insurance required by this section;

d. Include a copy of the additional insured endorsement to the liability policies, adding the County and the County's agents as insureds for all activities arising from this franchise; and

e. Show Franchisee's insurance as primary to the County's insurance and self-insurance programs. This may be evidenced by adding a statement to the additional insured endorsement required in subsection 3.C.1.d stating, "It is further agreed that the insurance afforded by this policy is primary to any insurance or self-insurance programs maintained by the additional insureds, and the additional insureds' insurance and self-insurance programs are excess and non-contributing to the Named Insured's insurance."

2. Insurance is to be provided by an insurance company with an A.M. Best rating of not less than A:VII, unless otherwise approved by the County.

3. Franchisee agrees that to the fullest extent permitted by law, Franchisee or its contractors or agents will waive their rights and their insurers' rights of recovery against the County and the County's agents under the insurance policies required in this franchise ordinance for loss arising from or relating to this franchise. Franchisee or their contractors or agents shall require their insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

4. Liability: Such insurance shall be endorsed naming the County and the County's agents as additional insureds, and shall include, but not be limited to:

a. Commercial General Liability Insurance written on a commercial general liability form (ISO policy form CG 00 01, or its equivalent, (including

umbrella policy) unless otherwise approved by the County), with limits of not less than five million dollars (\$5,000,000) per occurrence, fifteen million dollars (\$15,000,000) policy aggregate, and fifteen million dollars (\$15,000,000) products/completed operations aggregate. If written on a claims-made form, such insurance shall be endorsed to provide an extended reporting period of not less than two (2) years following termination or cancellation of this franchise.

b. Comprehensive Auto Liability Insurance (written on ISO policy form CA 00 01, or its equivalent, unless otherwise approved by the County), endorsed for all owned, non-owned, and hired vehicles with a limit of not less than one million dollars (\$1,000,000) per occurrence.

c. Environmental Impairment Liability Insurance ("EIL insurance"), which insures liability for environmental impairment, including cleanup cost endorsed for "Sudden and Accidental" contamination or pollution. Such coverage shall be in an amount and form to meet all applicable state and federal requirements, but in no event less than five million dollars (\$5,000,000) per occurrence.

i. If written with an annual aggregate limit, the policy limit should be three (3) times the above-required occurrence limit.

ii. If written on a claims-made form, such insurance shall be endorsed to provide an extended reporting period of not less than two (2) years following termination or cancellation of this franchise.

iii. EIL insurance maintained by either Franchisee or its contractor will satisfy the requirements of this section as long as it contains the required terms, conditions, amount, and scope of coverage.

iv. Franchisee or its contractors or agents shall maintain the EIL insurance required herein until the effective date of an agreement such as a Partial Consent Decree between Franchisee and EPA among others, entered in the Central District of California, that addresses operation and maintenance of the GWTS constructed by Franchisee pursuant to the August 22, 2012, Partial Consent Decree for Construction of the Dual Site Groundwater Operable Unit Treatment System and meets the requirements set forth in this paragraph. In order to relieve Franchisee of its obligation to maintain the EIL insurance, the Partial Consent Decree or the Statement of Work must remain in place and contain: (1) a performance guarantee in an amount sufficient to guarantee the performance of work under the Partial Consent Decree in a form that is acceptable to EPA and that complies with EPA's performance guarantee requirements; (2) provisions that require Franchisee to notify the County of any release or threat of release or unpermitted discharge from Franchise Facilities, and take all appropriate action at its expense to prevent, abate, or minimize such release or threat of release or unpermitted discharge, including all actions that are legally required and required by applicable cleanup standards to investigate, remove or remediate any such release or unpermitted discharge; and (3) contain language substantially similar to the language set forth in Exhibit C. Unless and until such an agreement is in effect, as

verified by the County, Franchisee or its contractors or agents shall maintain the EIL insurance required herein throughout the term of this franchise.

5. Workers Compensation: A program of workers' compensation insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California. Such policy shall be endorsed to waive subrogation against the County for injury to Franchisee's employees. In all cases, the above insurance shall include Employers Liability insurance with coverage of not less than:

- a. Each accident: one million dollars (\$1,000,000);
- b. Disease – policy limit: one million dollars (\$1,000,000); and
- c. Disease – each employee: one million dollars (\$1,000,000).

D. Franchisee shall furnish the County within thirty (30) days of the adoption of this ordinance, and within thirty (30) days of the expiration date of each term of insurance, with evidence of insurance required by Section 3.C to the satisfaction of the County for each of said policies certified by Franchisee's insurance agent, or by the company issuing the policy.

E. The types and amounts of said insurance coverage shall be subject to review and reasonable adjustment by the County, at the County's sole discretion, at any time during the term of this franchise. In the event of such adjustment, Franchisee agrees to obtain said adjusted insurance coverage, in type(s) and amount(s) as determined by the County, within thirty (30) days after written notice from the County. Notwithstanding the foregoing, the County may not adjust the amount or duration of the required EIL insurance, as specified in subsection 3.C.4.c.

F. Failure on the part of Franchisee to procure or maintain or cause to be procured and maintained through its contractors and agents the required insurance, or to provide evidence of current insurance, shall constitute a material breach of the terms of this franchise upon which the County may terminate or suspend this franchise.

G. It is the obligation of Franchisee to provide evidence of current insurance policies. No franchise operations shall commence until Franchisee has complied with the provisions of this Section 3, and Franchisee shall suspend any franchise operations during any period that Franchisee fails to obtain or maintain the insurance required hereunder.

SECTION 4. Security/Bond.

A. Security Requirements/Faithful Performance Bond.

1. Within three (3) months following the adoption of this ordinance or prior to construction of the Franchisee's Facilities within the Franchise Area, whichever occurs first, Franchisee shall provide to the County a faithful performance bond in the form of a Franchise Bond in the sum of not less than two million four hundred seven thousand two hundred eighty-five dollars (\$2,407,285) payable to the County, executed by a corporate surety licensed to transact business as a surety in the State of California, and acceptable to the County. Such bond shall be conditioned upon the faithful performance by Franchisee of the terms and conditions of this franchise and shall provide that, in case of a breach of any condition of this franchise, the whole amount of the penal sum, or any portion thereof, shall be deemed to be liquidated damages, and shall be payable to the County by the principal and surety(ies) of the bond.

2. Every year that the faithful performance bond is required to be in full force and effect, the amount of the faithful performance bond for the then-current twelve (12) month period shall be increased by one and one-half percent (1.5%) on or before the franchise anniversary date in advance of the next franchise year. Franchisee shall maintain the faithful performance bond in the amount required herein until the effective date of an agreement, such as a Partial Consent Decree entered in the Central District of California, between Franchisee and EPA among others, that addresses operation and maintenance of the GWTS constructed by Franchisee pursuant to the August 22, 2012, Partial Consent Decree for Construction of the Dual Site Groundwater Operable Unit Treatment System and meets the requirements set forth in this paragraph. In order to relieve Franchisee of its obligation to maintain the bond, the Partial Consent Decree or the Statement of Work attached to such Partial Consent Decree must be in place and must contain: (1) a performance guarantee in an amount sufficient to guarantee the performance of work under the Partial Consent Decree in a form that is acceptable to EPA and that complies with EPA's performance guarantee requirements, and (2) provisions requiring compliance with the terms of this franchise, including provisions concerning operation, maintenance, decommissioning, and removal of the Franchisee's Facilities that are substantially the same as the language shown in Exhibit B. Unless and until such an agreement is in place, as verified by the County, Franchisee shall maintain the faithful performance bond in the amount required herein throughout the term of this franchise.

3. Except when Franchisee is not required to maintain a bond pursuant to subsection 4.A.2 above, if Franchisee receives notice from the County that any amount has been drawn down from the bond as provided in this section, within ten (10) business days after receipt of notice from the County, Franchisee shall restore the bond to the full amount required herein.

B. Alternative Security. The County, in its sole discretion, may accept alternative security to meet the above bonding requirements in the form of an irrevocable letter of credit, certificate of deposit, or a cash deposit in the form of a Passbook Savings Account acceptable to the County as an alternative to a faithful performance bond to guarantee the performance of Franchisee's obligations under this franchise. Such alternative security shall be made payable to the County and shall be deposited to the satisfaction of the County.

C. Adjustments. The types and amounts of the performance bond or alternative security coverage shall be subject to review and adjustment by the County at the County's sole discretion, at any time that the Franchisee is required to maintain a bond in accordance with subsection 4.A.2 above. In the event of such adjustment, Franchisee agrees to provide the adjusted coverage, in type(s) and amount(s) as determined by the County, within thirty (30) days after written notice from the County.

D. No franchise operations shall commence until Franchisee has complied with the requirements of this section.

SECTION 5. Transfers and Assignments.

A. Franchisee shall not sell, transfer (including stock transfers), assign, or lease this franchise or any part thereof (each of which is hereinafter referred to as an "assignment"), to any other person or entity ("transferee") except with the written consent of the Director of the County Department of Public Works, or designee and after payment of a transfer fee as detailed in Section 5.G. No such consent shall be required for any assignment of this franchise or by a way of mortgage, pledge, or hypothecation with all or a part of Franchisee's other property for the purpose of securing any indebtedness of Franchisee.

B. Franchisee shall give notice to the County of any pending assignment, except as excluded in Section 5.E, and shall provide all documents required by the County as set forth in Section 5.F. Consent to any such assignment shall only be refused if the County finds that Franchisee is not in compliance with the terms and conditions of this franchise and/or that the proposed transferee, as applicable, is lacking in experience and/or financial ability to meet this franchise obligations. Consent shall be conditioned upon the completion of the assignment on the terms and conditions set forth in the assignment documents delivered to the County, the assumption by the transferee, as applicable, of all Franchisee's covenants and obligations under this franchise, and all information provided to the County under Section 5.F being true and correct as of completion of the assignment. Upon receipt of such consent from the County, Franchisee may proceed to consummate the assignment.

C. Franchisee shall file with the County within thirty (30) days after the effective date of any assignment, a certified copy of the duly executed instrument(s) which officially evidence(s) such assignment. If such duly executed instrument(s) is not filed with the County within thirty (30) days after the effective date of such proposed assignment, or if the conditions to consent by the County have not been met, then the County may notify Franchisee and the proposed transferee that the assignment is not deemed approved by the County. The County may determine that the assignment has no force or effect, or that this franchise is forfeited.

D. As a condition to granting consent to such assignment, the County may impose by ordinance such additional terms and conditions upon the proposed transferee which the Board of Supervisors ("Board") deems to be in the public interest. Nothing contained herein shall be construed to grant Franchisee the right to complete an assignment except in the manner aforesaid. This section applies to any assignment, whether by operation of law, by voluntary act of Franchisee, or otherwise.

E. Notwithstanding the foregoing, shareholders, partners, and/or any other person or entity owning an interest in Franchisee may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, divestment, or other change, including a merger, is effected in such a way as to give control of Franchisee to any person or persons, corporation, partnership, or legal entity other than the person or entity with the controlling interest in Franchisee on the effective date of this franchise or the effective

date of the last approved assignment, consent thereof shall be required as otherwise provided in this section.

F. Upon notice by Franchisee of any pending assignment, the proposed transferee shall submit an assignment application to the County, which shall contain at a minimum:

1. Identification of the proposed transferee which indicates the corporate or business entity organization, including the submission of copies of the corporate or business formation papers (e.g., articles of incorporation and by-laws, limited partnership agreements, operating agreements), the names and addresses of any parent or subsidiary of the proposed transferee(s), or any other business entity owning or controlling the proposed transferee in part or in whole;

2. A current financial statement, which has been audited by a certified public accountant demonstrating conclusively to the satisfaction of the County that the proposed transferee has all the financial resources necessary to carry out all of the terms and conditions of this franchise. The financial statement shall include a balance sheet, profit and loss statement for at least the three (3) most recent years, and a statement of changes in financial position; however, if the proposed transferee has been in existence for less than three (3) years, then for such period of existence;

3. A copy of the proposed agreement of sale, letter of understanding, or other documentation which details the proposed assignment ("assignment documents");

4. Other information which may be required by the County to assess the capability of the proposed transferee to operate and maintain this franchise.

G. The transfer fee shall be the actual costs to process the proposed assignment application, including any consultant's fees incurred by the County to assist in evaluating the application, but in no event less than the minimum transfer fee of two thousand five hundred dollars (\$2,500). The minimum transfer fee will be submitted with the proposed assignment application. Additional monies owed shall be due and payable prior to final determination of the request by the County.

SECTION 6. Relocation of Facilities.

The requirements of Section 16.52.290 of the County Code, Relocation of Pipelines and Appurtenances, shall apply with equal force to pipelines, appurtenances, and any other Franchise Facilities installed in accordance with this franchise, subject to concurrence from EPA. In the event Franchisee receives notice to relocate any Franchise Facilities pursuant to Section 16.52.290 of the County Code, in addition to all obligations of Franchisee and rights of the County under Sections 16.38.450 and 16.52.290 of the County Code, if Franchisee neglects or fails to relocate its facilities in a timely manner after receipt of any such notice, Franchisee shall be solely responsible for, and shall reimburse the County, city, and other applicable public entities, any and all additional costs or expenses incurred by the County, city, and other applicable public entities, due to, or resulting from, such delay in relocation of the facilities.

SECTION 7. Removal or Abandonment of Facilities.

The procedures for removal or abandonment of facilities shall be in accordance with Section 16.52.300 of the County Code as follows:

A. At the expiration, revocation, or termination of this franchise or the permanent discontinuance of the use of all or a portion of its facilities, Franchisee shall, within thirty (30) days thereafter, make written application to the County for authority to either:

1. Abandon all or a portion of such facilities in place; or
2. Remove all or a portion of such facilities.

Such application shall describe the facilities desired to be abandoned, their location with reference to county highways, and shall describe with reasonable accuracy the physical condition of such facilities. The County shall determine whether any abandonment or removal, which is thereby proposed, may be effected without detriment to the public interest and under what conditions such proposed abandonment or removal may be effected. The County shall then notify Franchisee of its determinations.

B. Within thirty (30) days after receipt of such notice, Franchisee shall apply for a permit from the County to abandon or remove the facility.

C. Franchisee shall, within sixty (60) days after obtaining such permit, commence the work authorized by the permit at its expense.

SECTION 8. Conditions of Franchise Grant; Suspension or Forfeiture

Grounds and Procedure.

A. This franchise is granted upon each and every condition contained in this ordinance, including such conditions contained herein as are incorporated by reference.

B. Any neglect, failure, or refusal to comply with any of the conditions of this franchise shall constitute grounds for suspension or forfeiture thereof. The Board, prior to any suspension or termination of this franchise, shall give to Franchisee not less than thirty (30) days' notice in writing of any default. If Franchisee does not, within the noticed period, begin the work of compliance to cure the default, or after such beginning does not prosecute the work with due diligence to cure the default, the Board may hold a hearing, at which Franchisee shall have the right to appear and be heard, and thereupon the Board may determine whether such conditions are material and essential to this franchise and whether Franchisee is in default with respect thereto and may declare this franchise suspended or terminated. Notice of the hearing shall be given to Franchisee by certified mail not less than thirty (30) days before said hearing. This franchise may only be suspended or terminated by the Board after a hearing.

SECTION 9. Construction, Operation, and Maintenance.

A. All Franchise Facilities shall be constructed, laid, operated, or maintained in accordance with and conforming to all applicable ordinances, codes, rules, and regulations now or hereafter adopted or prescribed by the Board and all applicable local, state and federal laws and regulations.

B. Franchisee shall not commence any excavation work under this franchise until it has obtained any applicable permit required by Division 1 of Title 16 of the County Code, except in cases of emergency affecting public health, safety or welfare, or the preservation of life or property, in which case Franchisee shall apply for such permit not later than the next business day.

C. The work of constructing, laying, replacing, repairing, or removing the Franchise Facilities on, along, upon, in, under, or across any and all highways shall be conducted with as little hindrance as practicable to the use of the highway for purpose of travel; and as soon as the constructing, laying, replacing, repairing, or removing of any of said facilities is completed, all portions of the highway which have been excavated or otherwise injured thereby shall be placed in as good condition as the same was before constructing, laying, replacing, repairing, or removing of the Franchise Facilities to the satisfaction of the County.

D. The County reserves the right for itself, for all cities and public entities that are now or may be later established, to improve the surface of any highway over which this franchise is granted. The County shall notify Franchisee within two (2) business days before conducting any improvements on the surface of any highway over which this franchise is granted which could potentially impact the Franchise Facilities so that Franchisee may meet with the County to discuss the improvements and any potential impact on the Franchisee's Facilities.

E. If the County constructs or maintains any storm drain, sewer structure, or other facility or improvement under or across any Franchise Facility, Franchisee shall

provide, at no expense to the County, such support as shall be reasonably required to support, maintain, and protect the Franchise Facilities.

F. If any portion of any highway shall be damaged by reason of defective Franchise Facilities, Franchisee shall, at its own expense, repair any such defect and put such highway in as good condition as it was before such damage was incurred, to the satisfaction of the County. If Franchisee neglects or fails to repair such damage after receipt of any such notice, or if such damage constitutes an immediate danger to public health and safety requiring the immediate repair thereof, Franchisee shall be solely responsible for, and shall reimburse the County, city, and other applicable public entities, any and all additional costs or expenses incurred by the County, city, and other applicable public entities, due to, or resulting from, such repair of the facilities.

SECTION 10. Notices.

Unless stated otherwise herein, any notices to be given or other documents to be delivered by either party may be delivered in person, by private courier, or deposited in the United States mail or reliable commercial carrier (e.g., Federal Express) to the party for whom intended as follows:

To County: County of Los Angeles Department of Public Works
 Survey/Mapping & Property Management Division
 P.O. Box 1460
 Alhambra, California 91802-1460

AND

Executive Office of the Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

To Franchisee: Joseph C. Kelly
Montrose Chemical Corporation of California
600 Erickson Avenue NE, Suite 380
Bainbridge Island, Washington 98110
Work: (206) 780-9840
Fax: (206) 780-2109

With copies to: Kelly E. Richardson
Latham & Watkins LLP
600 West Broadway, Suite 1800
San Diego, California 92101
Work: (619) 236-1234
Fax: (619) 696-7419
E-Mail: Kelly.Richardson@lw.com

SECTION 11. County Franchises.

This franchise is granted pursuant to the provisions of Division 3, Franchises and Division 3A, Pipeline Franchises, of Title 16, Highways, of the County Code. The provisions of Division 3A of Title 16 of the County Code are incorporated herein by reference, and as Division 3A of Title 16 of the County Code may be amended hereafter and/or in any successor provisions, and these provisions apply with respect to all the Franchise Facilities, including pipelines and appurtenances as well as wells and other facilities constructed pursuant to this franchise. In the event the provisions of this franchise conflict with any of the provisions of Division 3A of Title 16 of the County Code, the provisions herein shall control. Without limiting the generality of the foregoing, Sections 16.52.320 through 16.52.4 50 of the County Code are superseded by this ordinance.

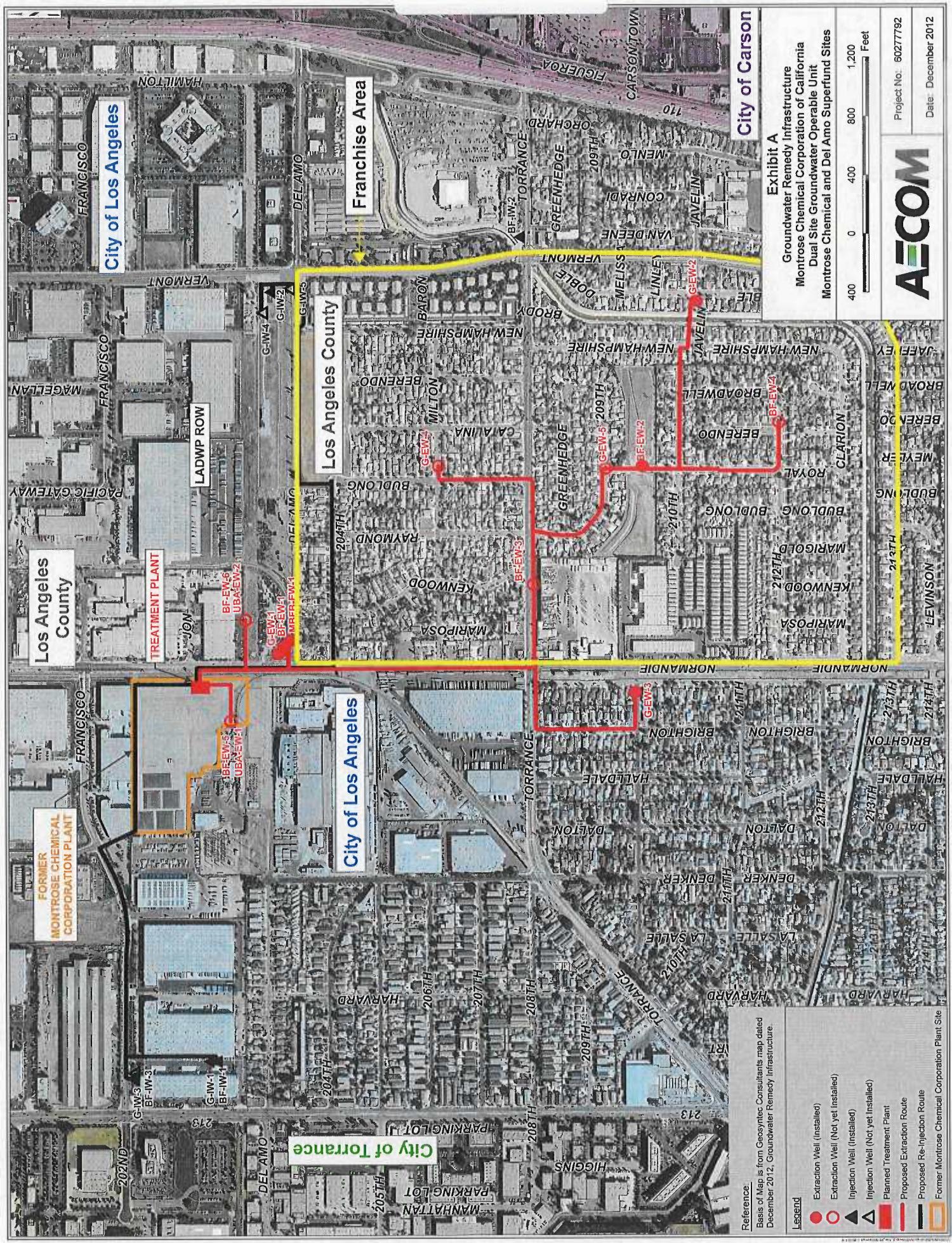
SECTION 12. Franchise Operative Date.

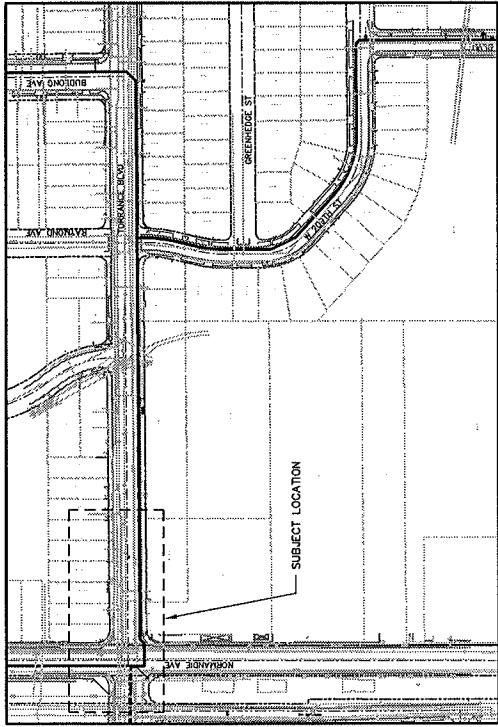
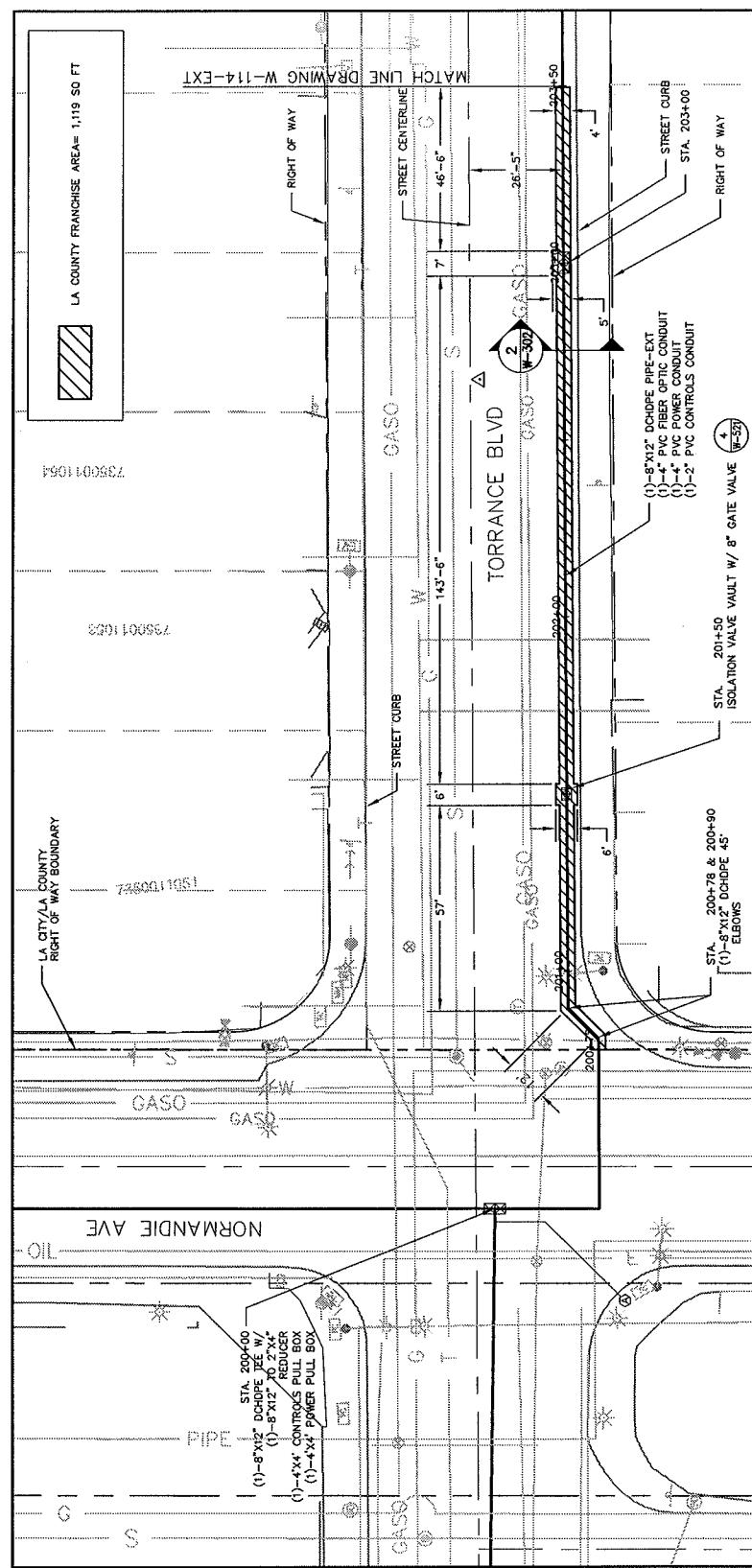
The operative date of this franchise shall be September 26, 2013.

SECTION 13. This ordinance shall be published in a newspaper printed and published in the County of Los Angeles.

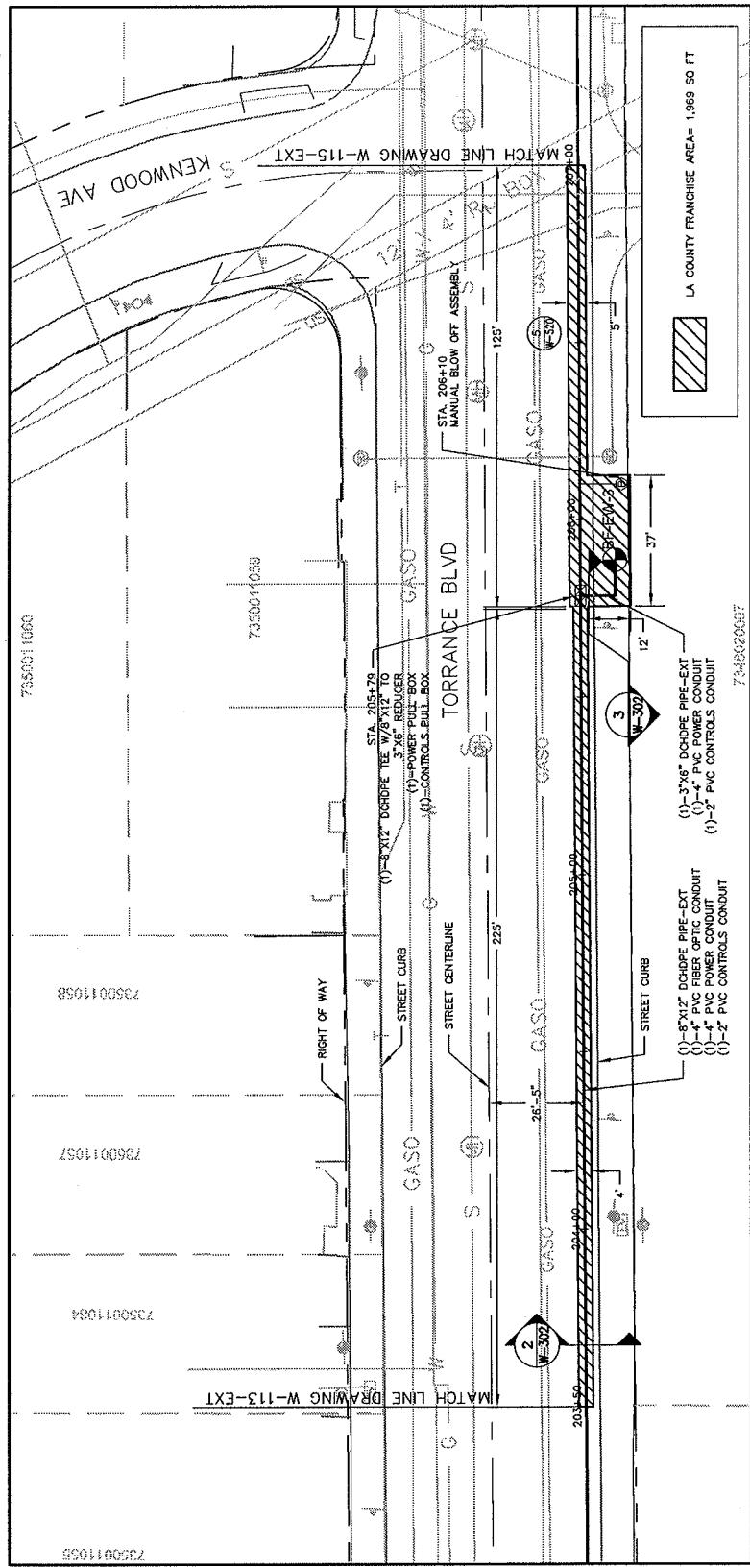
[MONTCHEMCORPCALFRNJWCC]

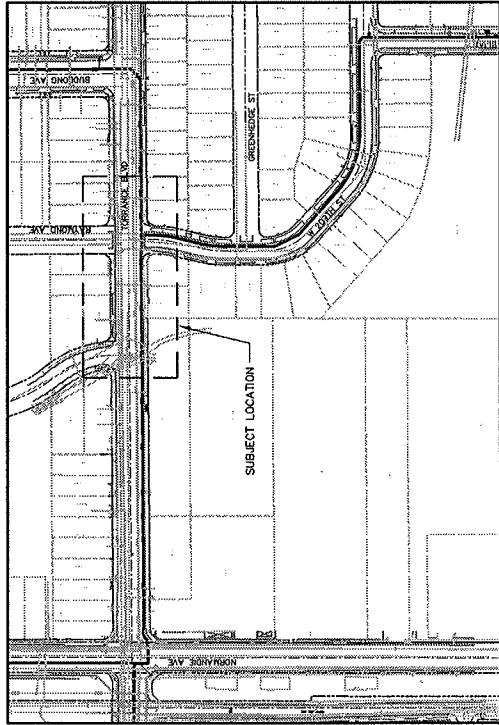
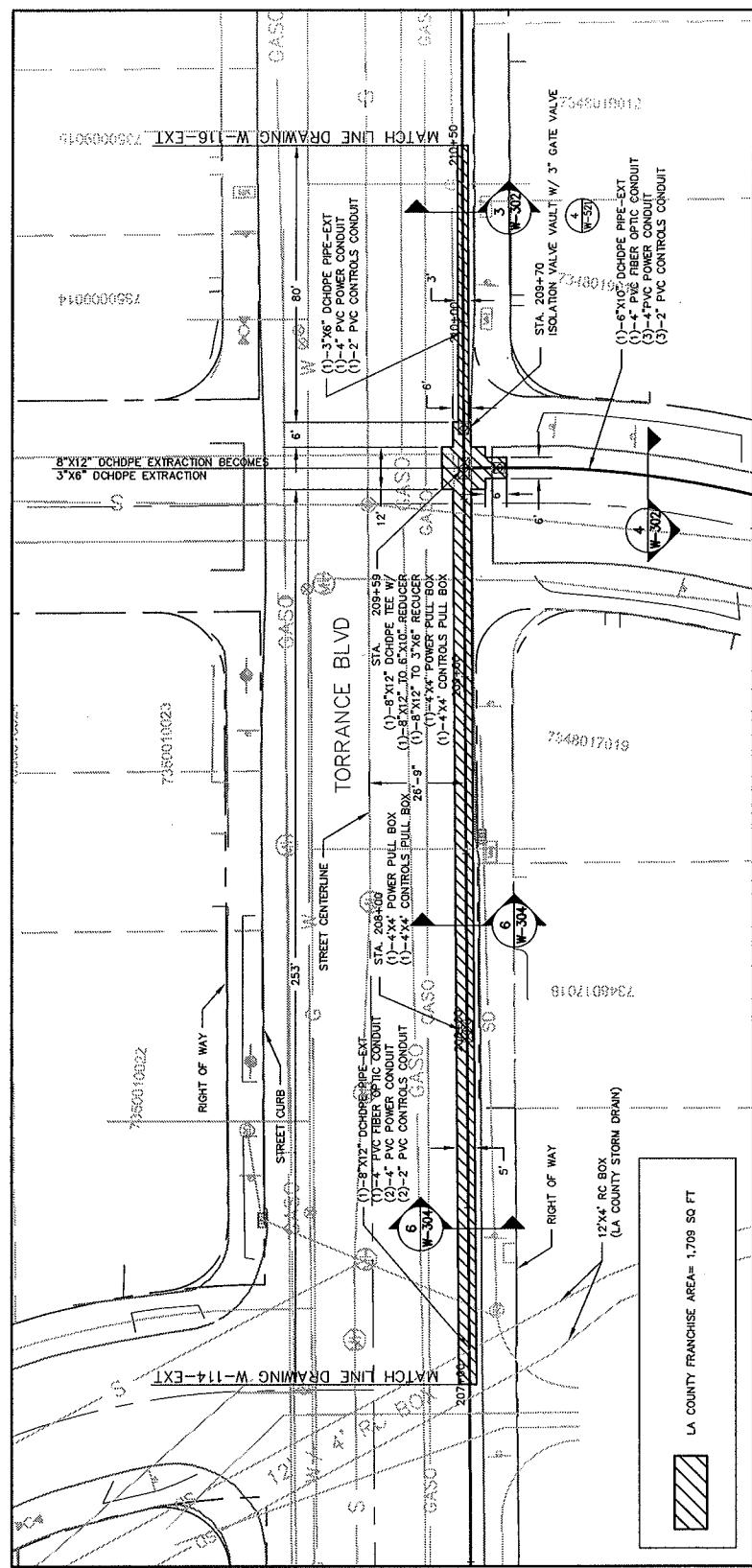
EXHIBIT A





REF	REV	DATE	DESCRIPTION	DRN	APP
REFERENCE:	GEOSYNTEC, FINAL EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012				
PROJECT:	TORRANCE BLVD. NEAR NORMANDIE AVE. STA 200+75-203+50 MONTROSE CHEMICAL CORPORATION OF CALIFORNIA				
SITE:	EXTRACTION PIPING PLAN DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES				
			DESIGN BY: DRAWN BY: CHECKED BY: DRAWING NO.:	Geosyntec DATE: JULY 12, 2013 JBarnes PROJECT NO.: 60277792 BDean FILE: SB0450-W113-EXT-A02.dwg EXHIBIT NO.:	
				W-113-EXT	1 24





AECOM

REV	DATE	DESCRIPTION	DRN	APP

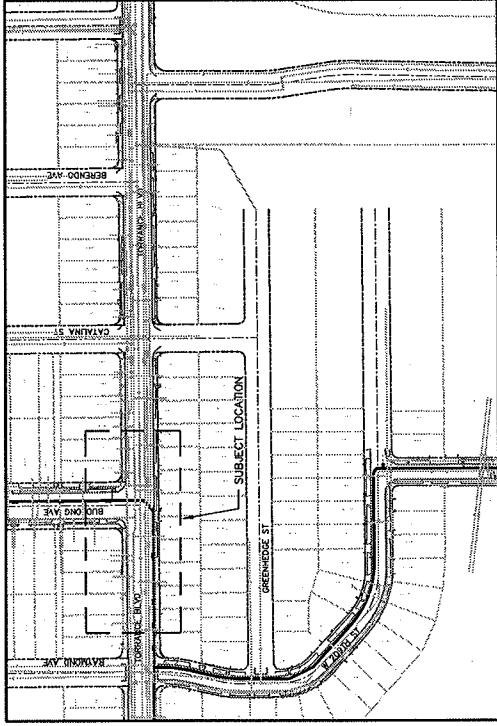
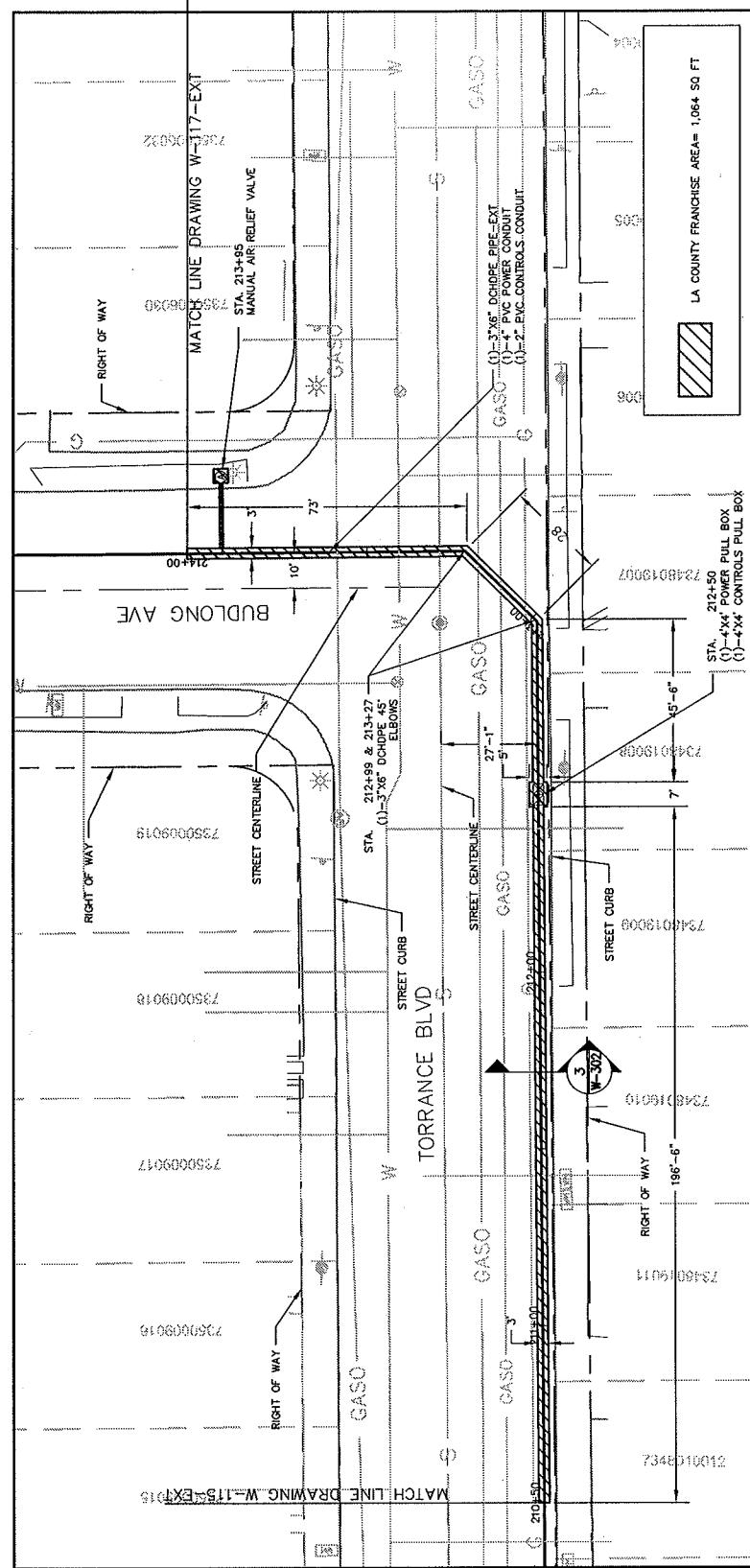
MONTEBELLO BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

LAW OFFICES OF LEE & LEE
TORRANCE BLVD. STA. 207+00-210+50

MONTROSE CHEMICAL CORPORATION OF CALIFORNIA
DUAL SITE GROUNDWATER OPERABLE UNIT
MONTROSE CHEMICAL AND DEI AMO SUPERFUND SITES

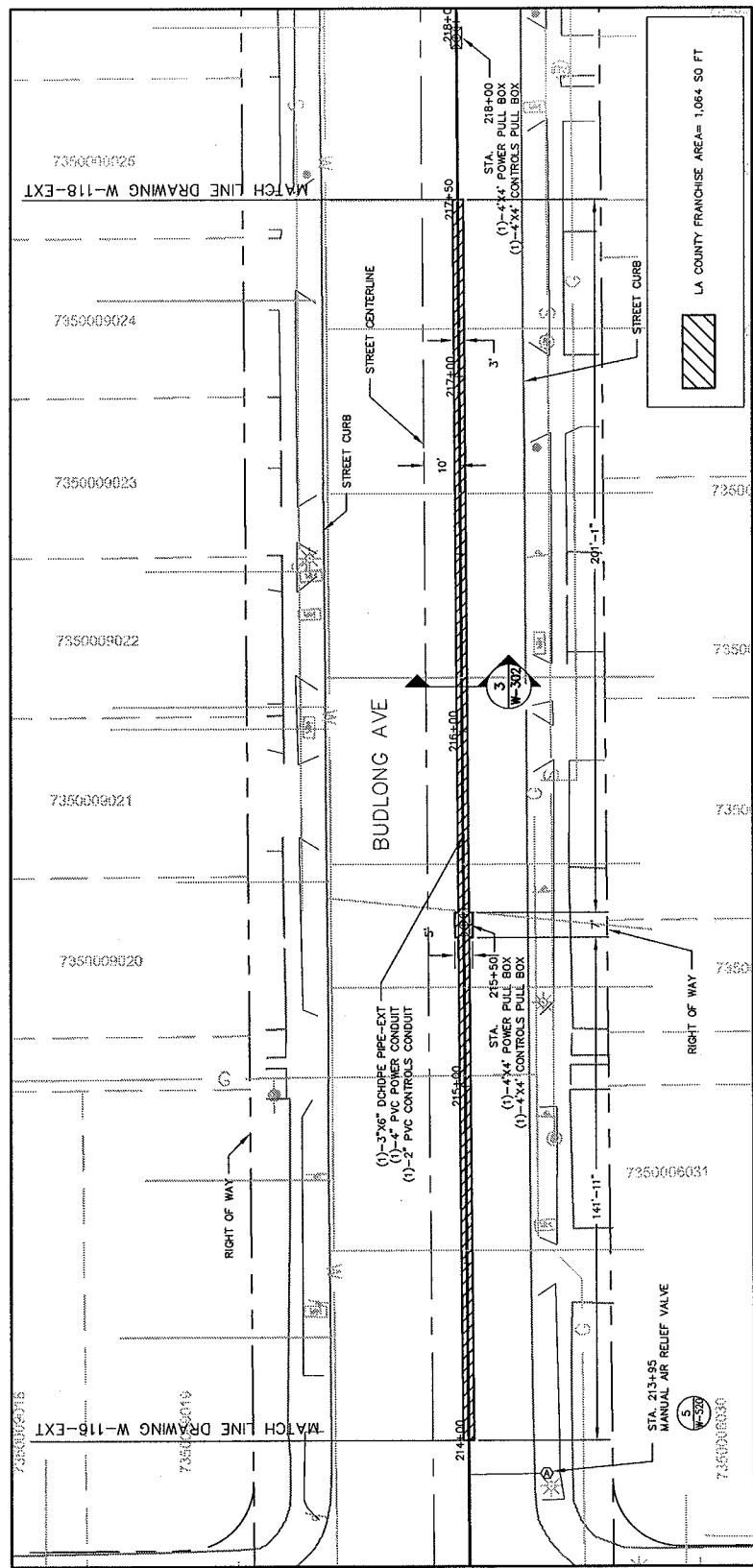
DESIGN BY:	Geosyntec	DATE: JULY 12, 2013
DRAWN BY:	JBurnes	PROJECT NO.: 60277792
CHECKED BY:	BDeon	FILE: SB0450-W113-EXT-A02.dwg
DRAWING NO.:		EXHIBIT NO.:
<u>W-115-EXT</u>		<u>3</u> of <u>24</u>

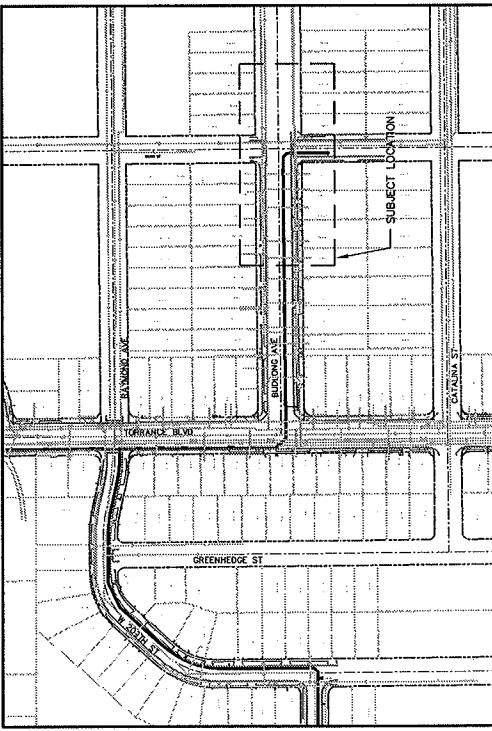
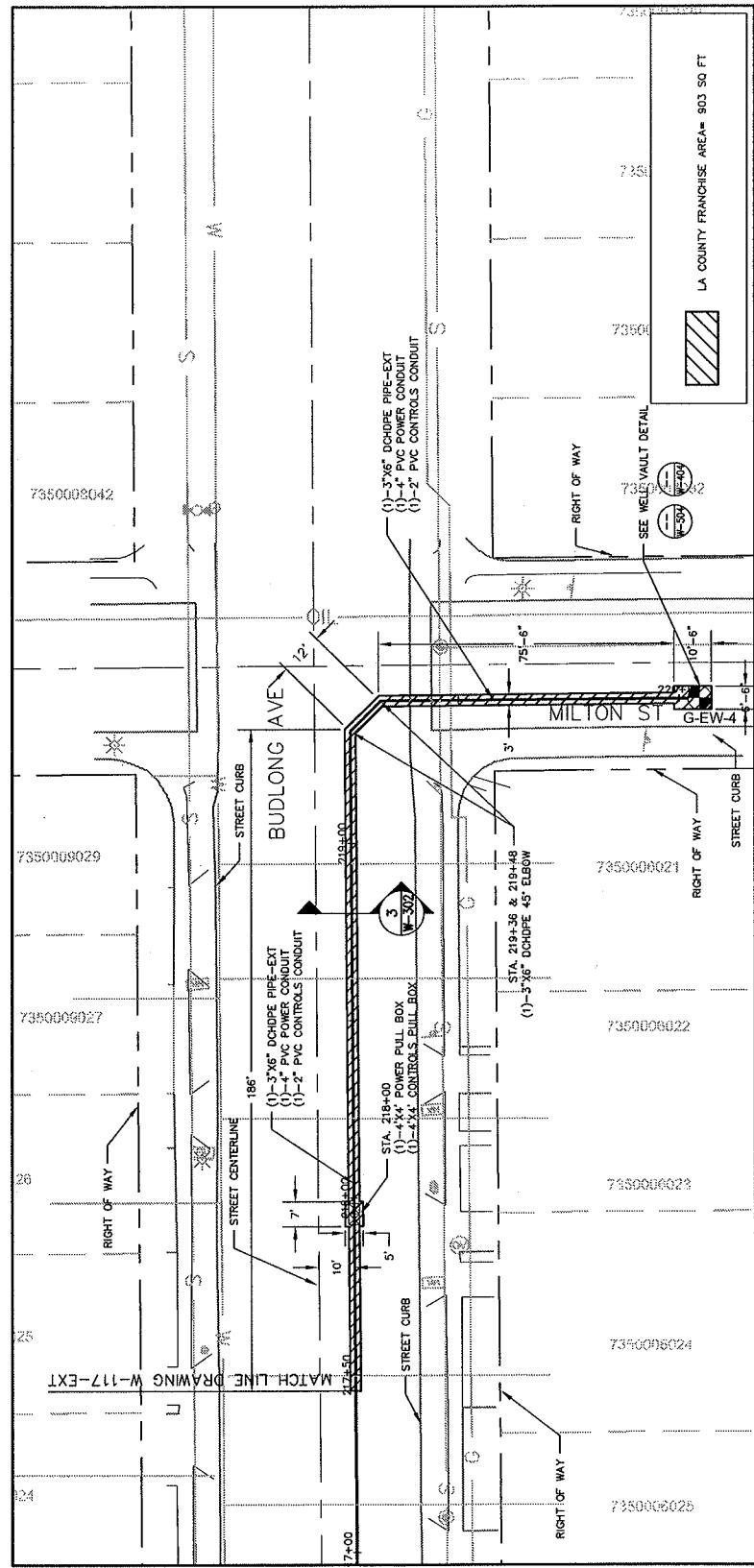
INDEX MAP



INDEX MAP

REV	DATE	DESCRIPTION	DRN	APP
REFERENCE:	GEOSYNTEC FINAL EPA APPROVED FEDERAL DESIGN DRAWINGS JUNE 3, 2012			
TITLE:	EXTRACTION PIPING PLAN			
PROJECT:	TORRANCE BLVD. STA. 210+50-214+00			
SITE:	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA			
	DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES			
	DESIGN BY:	Geosyntec	DATE: JULY 12, 2013	
	DRAWN BY:	J.Bornes	PROJECT NO.: 60277792	
	CHECKED BY:	B.Dean	FILE #: SB450-WH1-ZD2-BW94	
	DRAWINGS NO.:	W-116-EXT		EXHIBIT NO.: 4 OF 24





AECOM

3955 MA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2833

REV	DATE	DESCRIPTION	DRN	APP

EXTRACTION PIPING PLAN

TORRANCE BLVD. STA. 217+50-220+34

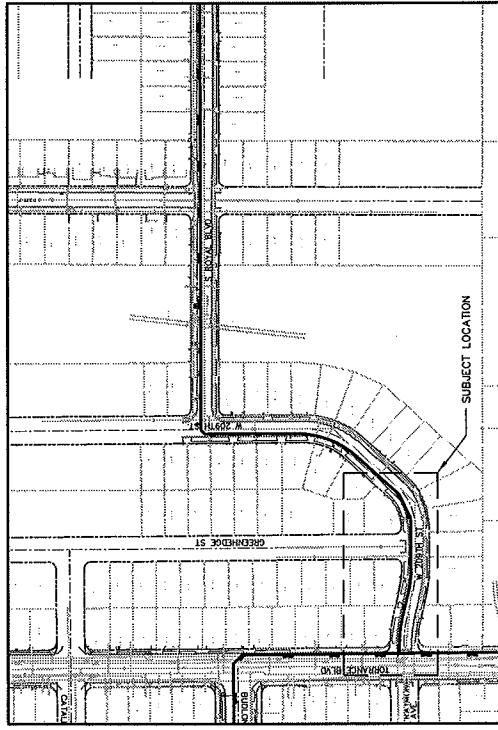
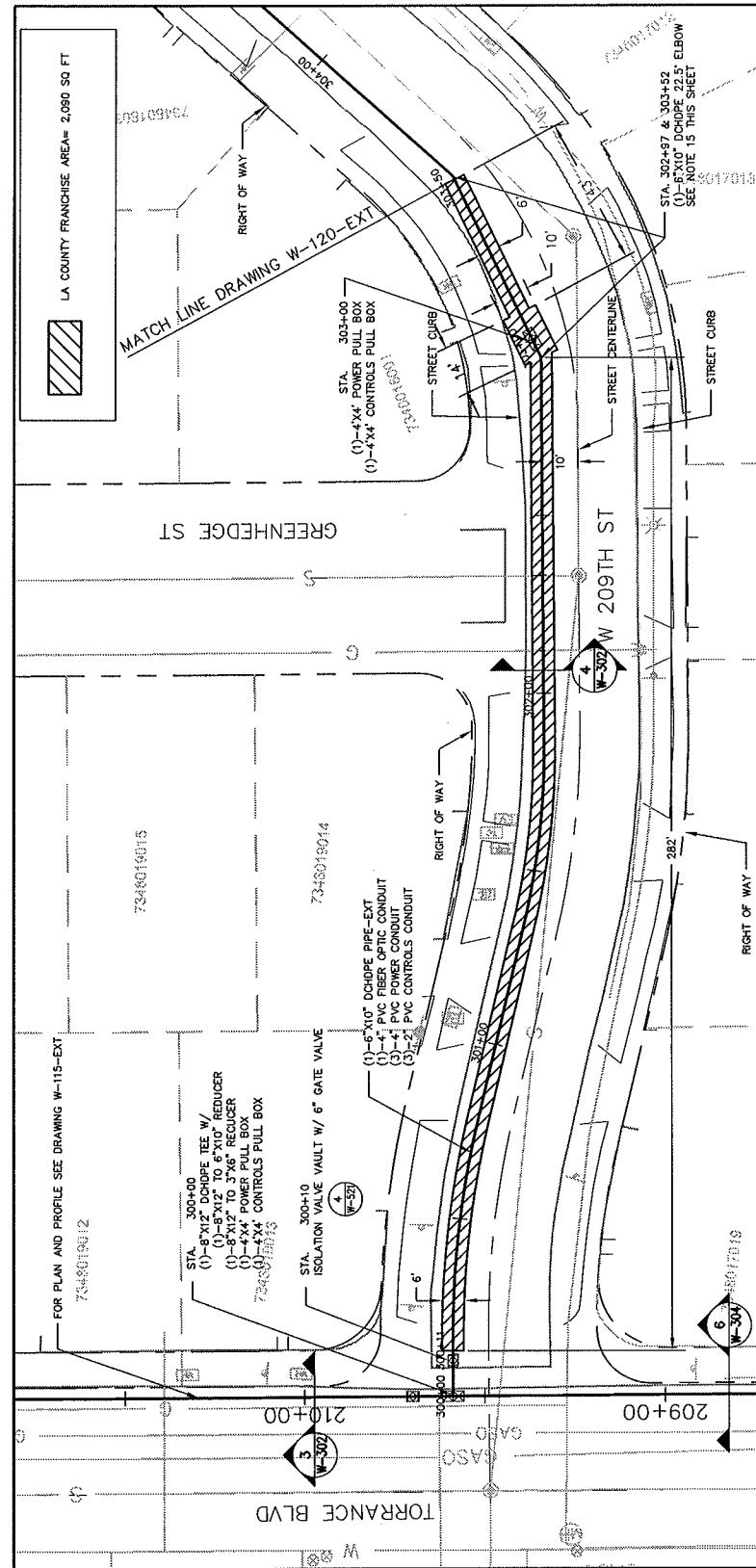
MONTROSE CHEMICAL CORPORATION OF CALIFORNIA

DUAL SITE GROUNDWATER OPERABLE UNIT
MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES

REFERENCE:	GEOSYNTEC, FINAL EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012	DESIGN BY:	Geosyntec DATE: JULY 12, 2013
PROJECT:	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA	DRAWN BY:	J.Barnes PROJECT NO.: 60277792
SITE:	MONTROSE	CHECKED BY:	B.Dean FILE: SB0450-W113-EXT_A02.dwg
		DRAWING NO.:	EXHIBIT NO.: W-118-EXT

INDEX MAP

6 OF 24



AECOM

REV	DATE	DESCRIPTION	DRN	APP

3999 VIA ORU AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

AN

303 + 50

三〇一

OF CALIFORNIA

הנִזְקָן

ABSTRACT

UNIVERSITY BASED

כט עירם טראם

eosyntec DATE: JULY 12, 2014

Barnes Project No: 602

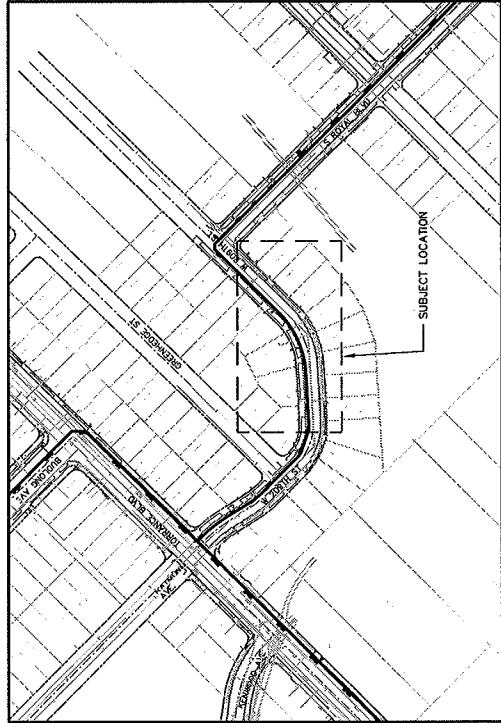
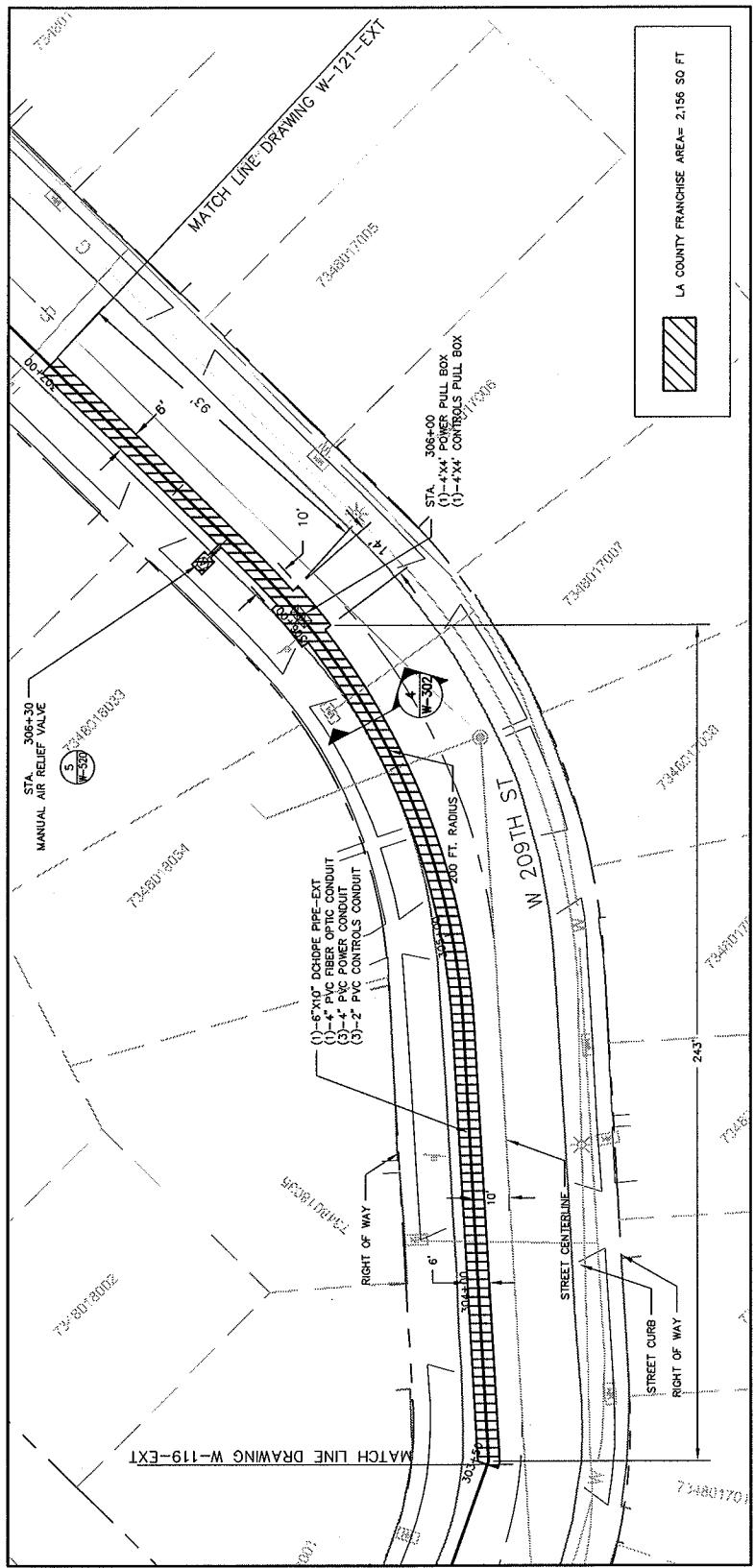
סבבון אובי

Dean
FILE: S80450-W19-

EXHIBIT NO.:

-VIT

OF =



AECOM

REV	DATE	DESCRIPTION	DRN	APP

EXTRACTION PIPING PLAN
W 209TH ST. STA. 303+50-307+00

MONTROSE CHEMICAL CORPORATION OF CALIFORNIA

THE JOURNAL OF CLIMATE

DUAL SITE GROUNDWATER OPERABLE UNIT NITROUS OXIDE AND SEI AMG SUPERFUND SITES

לעומת מילון עברי-אנגלזי

DESIGN BY: GEORGE HARRIS DATE: 30/01/12 Z, 29/3

DRAWN BY: J Barnes PROJECT NO.: 6027779

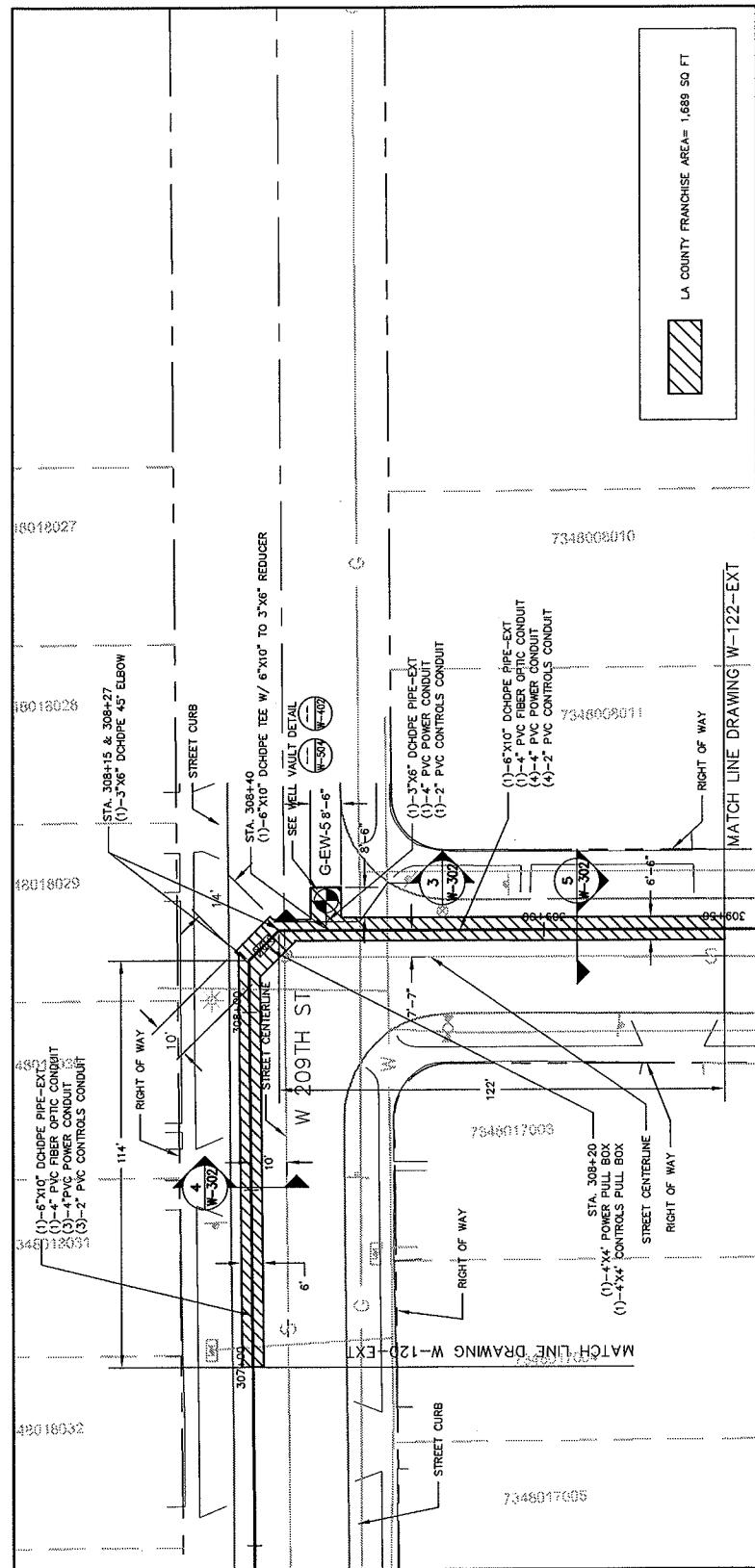
CHECKED BY: BDean FILE: SB0450-W19-EXT_A

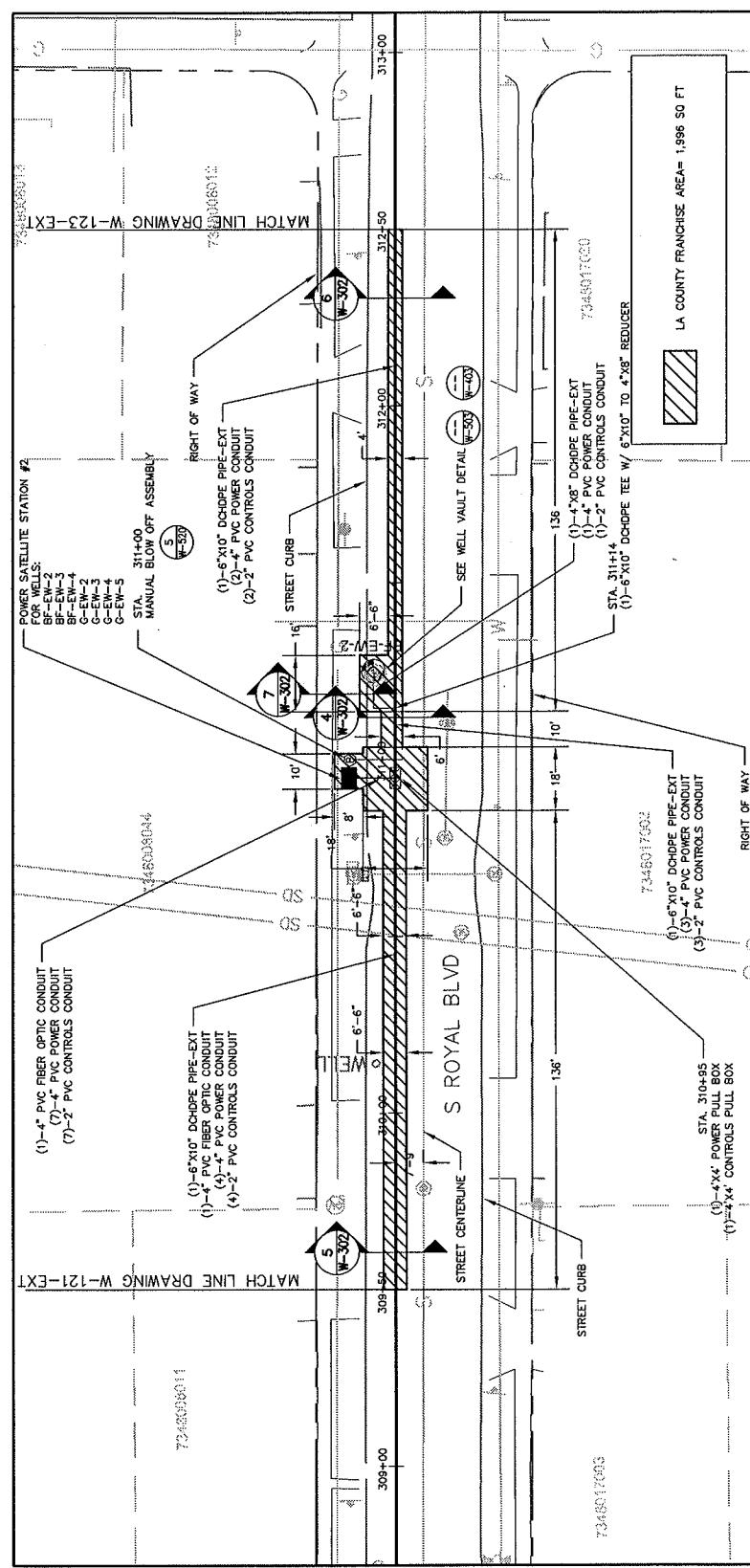
DRAWING NO.: EXHIBIT NO.:

W-120-EX1

INDEX MAP

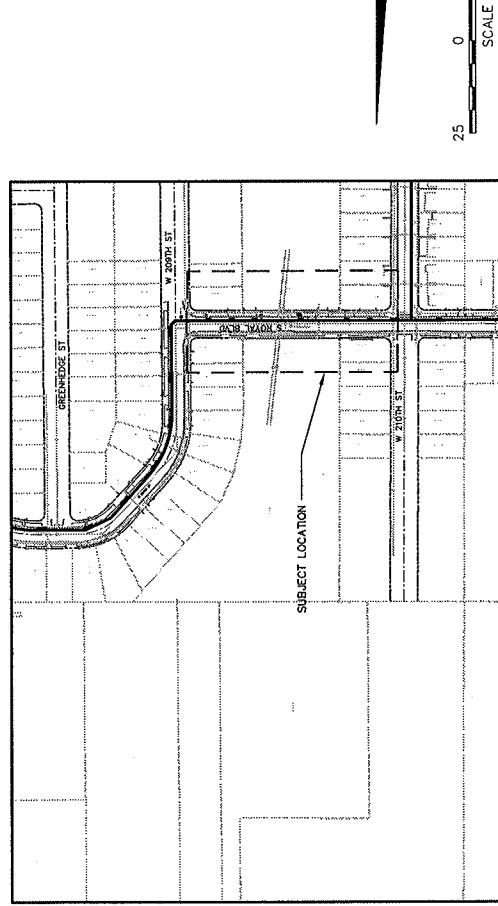




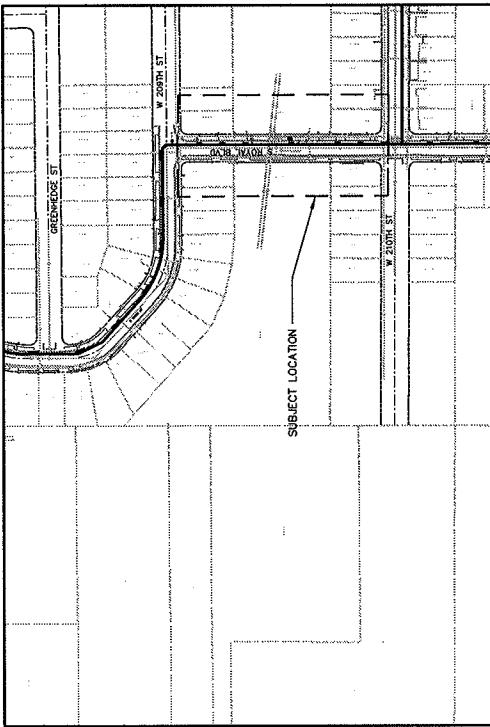
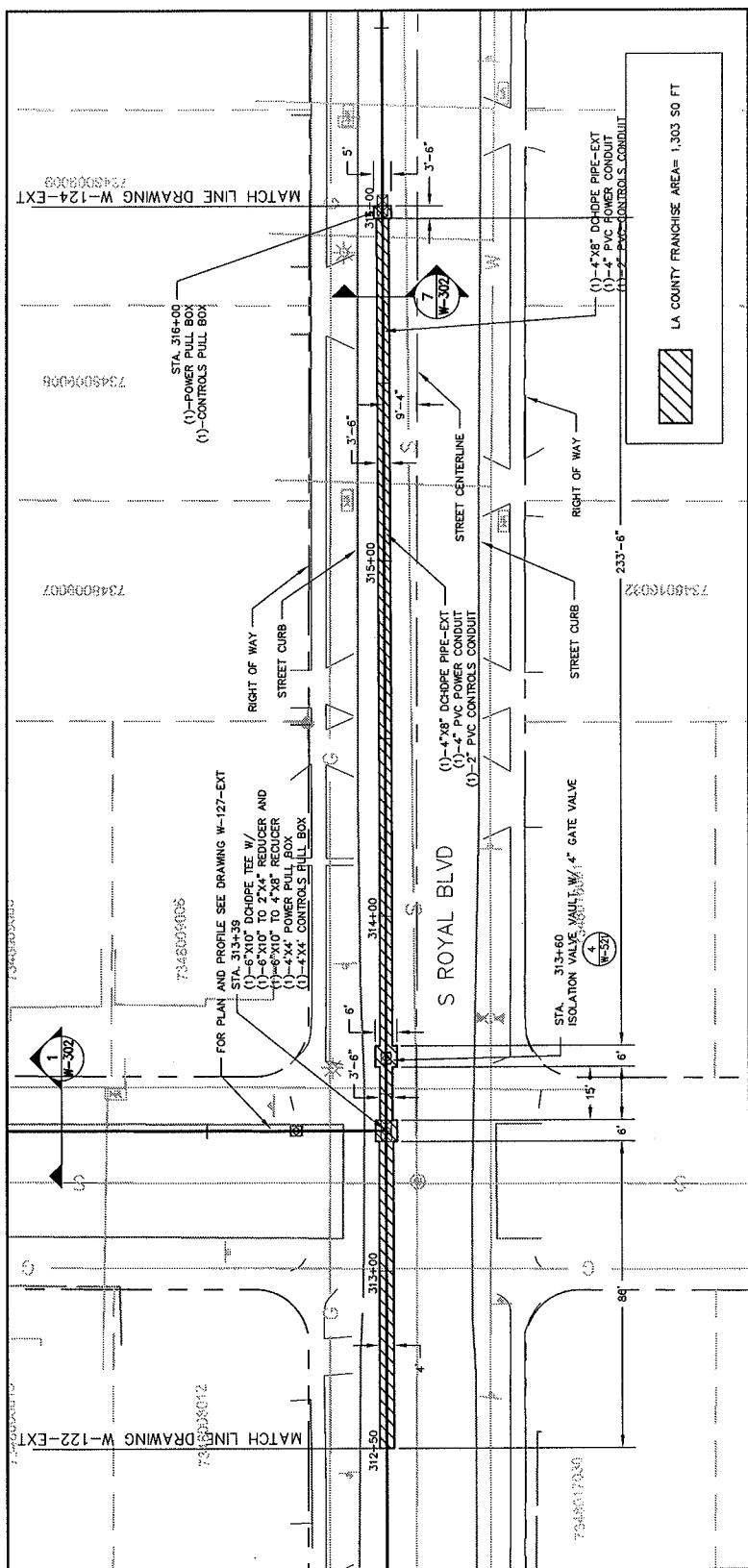


AECOM

3995 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933



INDEX MAP



AECOM

3993 VIA URU AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE 505-6227

PHONE: 362-420-2933

D PROFILE

0-316+00

卷之三

OF CALIFORNIA

卷之三

TABLE UNIT

SUPERFUND SITES

卷之三

Geosyntec DATE: JULY 12, 20

PROJECT NO.: 602
JJBarnes

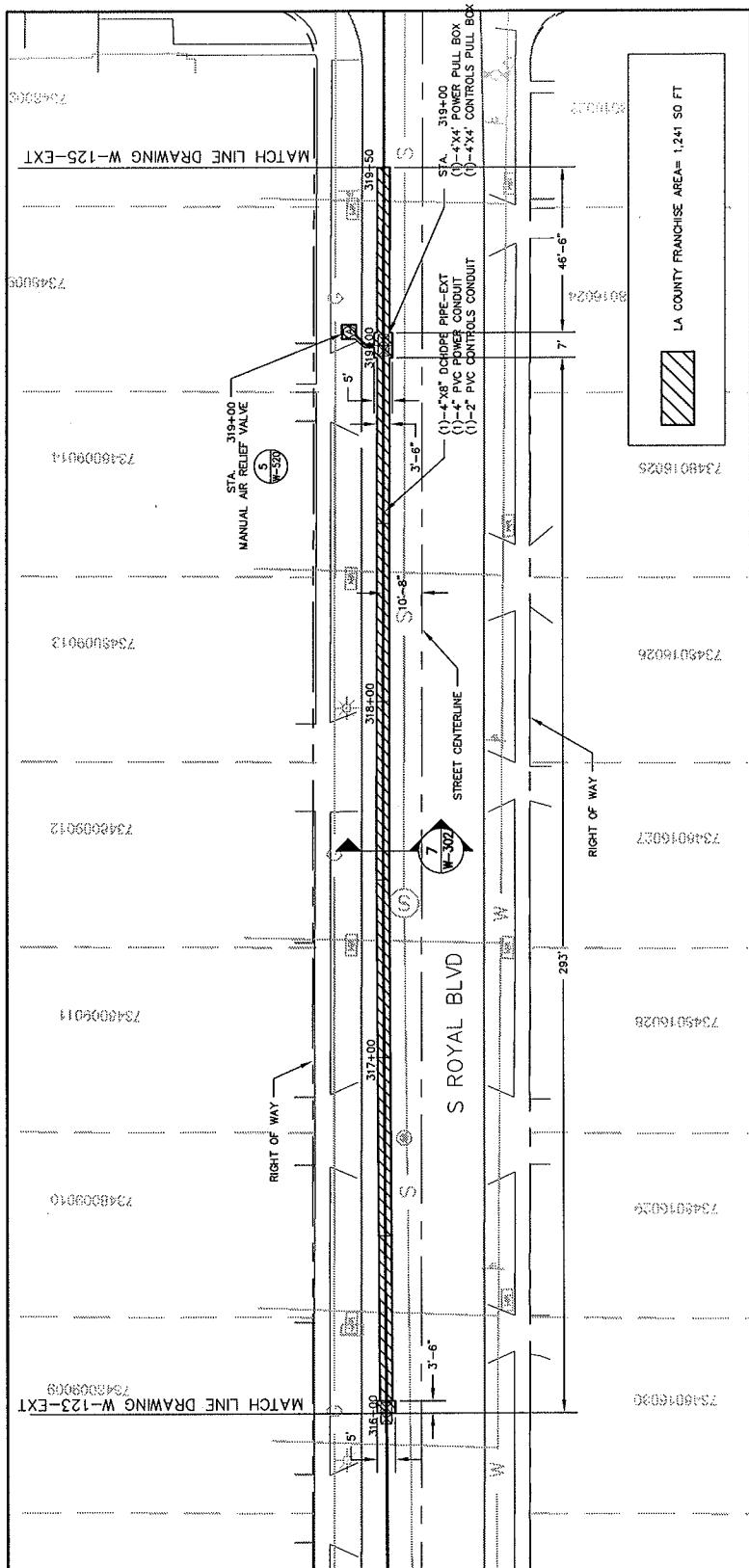
卷之三

FILE: SB0450-W-22-B
BDean

EXHIBIT NO.:

EXT 11

INDEX MAP



AECOM

3995 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

D PROFILE 30 | 50

OEUVRE OBINIA

OF CALIFORNIA
RENTABLE UNIT SITES

卷之三

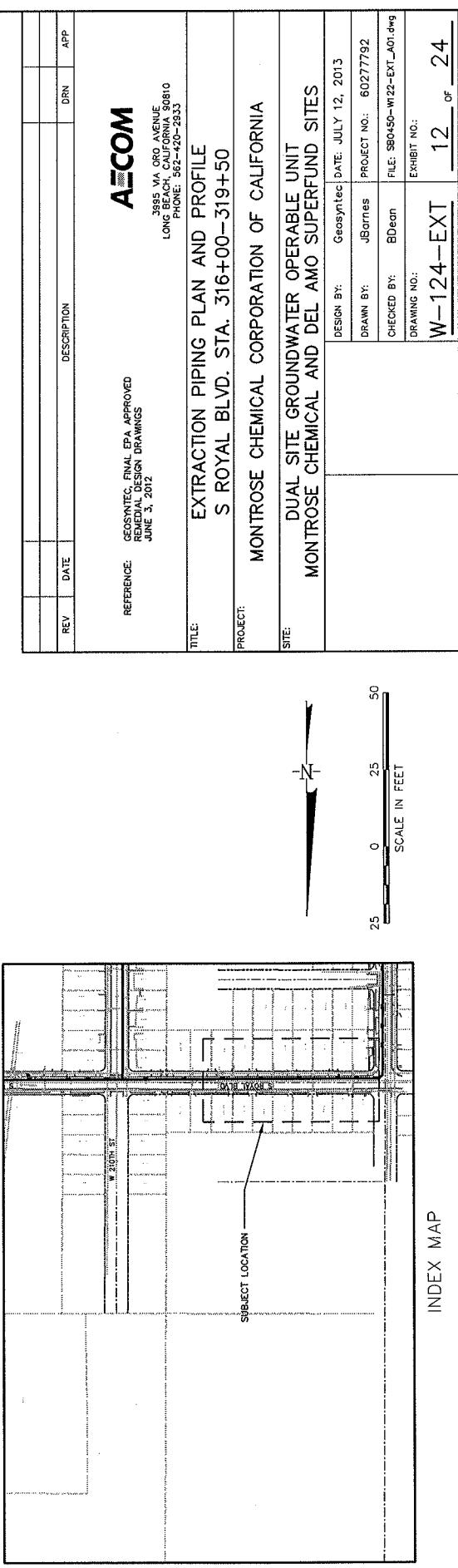
סמסטר נייר

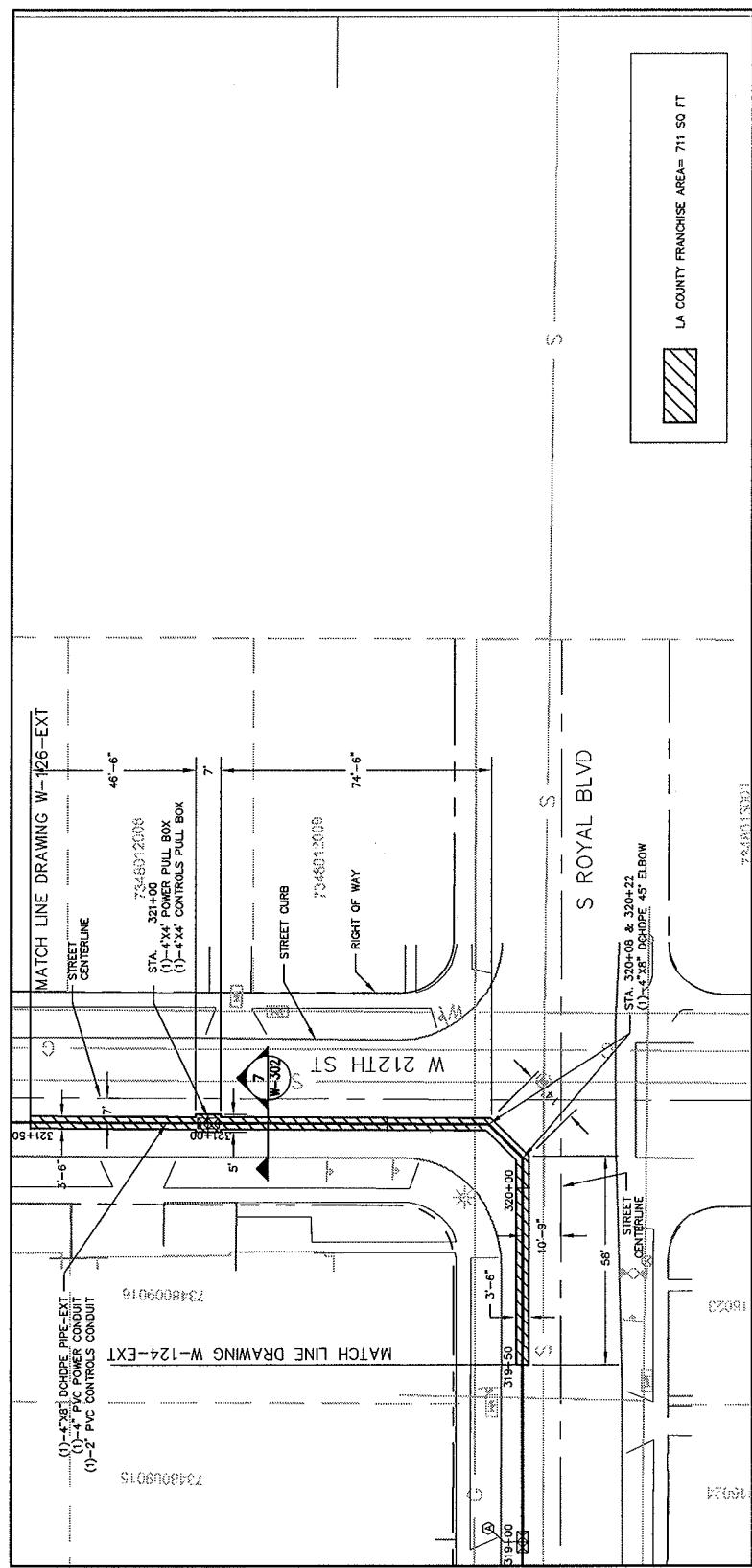
PROJECT NO.: 602

FILE: SB0450-WI122-
BDean

EXHIBIT NO.:

EVT 10





ACOM

3995 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

REV	DATE	DESCRIPTION	DRN	APP

REFERENCE: GEOSYNTEC, FINAL EPA APPROVED
REMEDIAl DESIGN DRAWINGS

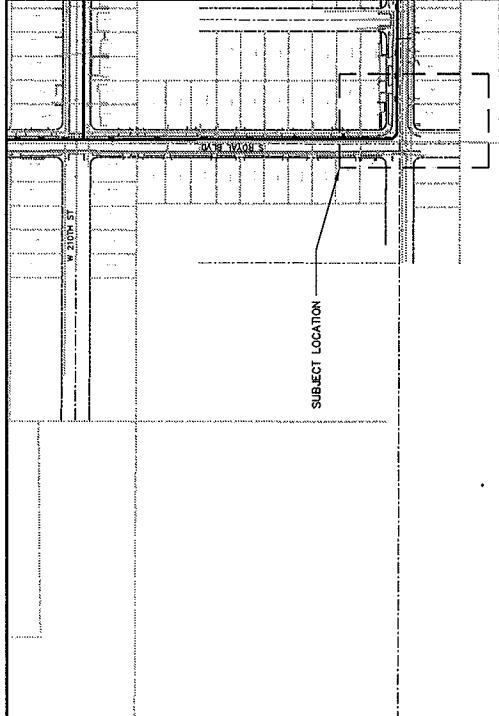
3995 MA ORU AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

EXTRACITION PIPING PLAN AND PROFILE
S ROYAL BLVD. STA. 319+50-321+50

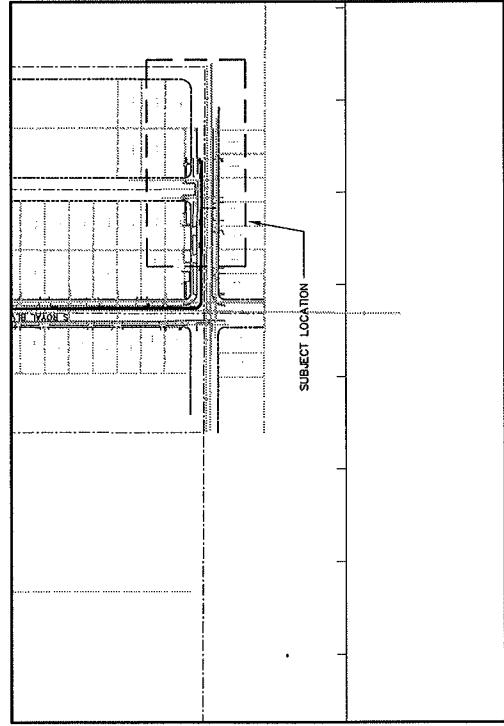
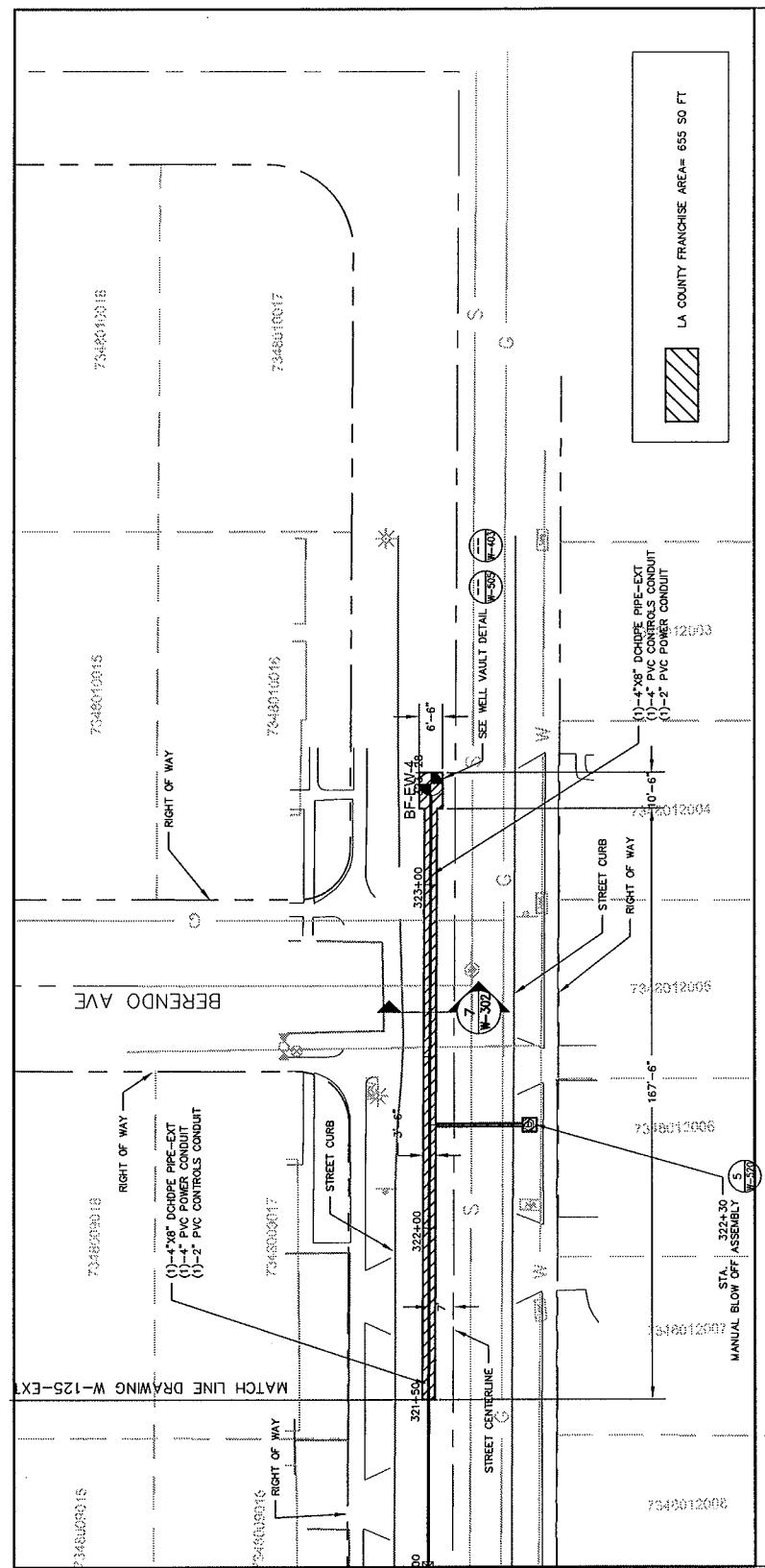
MONTROSE CHEMICAL CORPORATION OF CALIFORNIA

卷之三

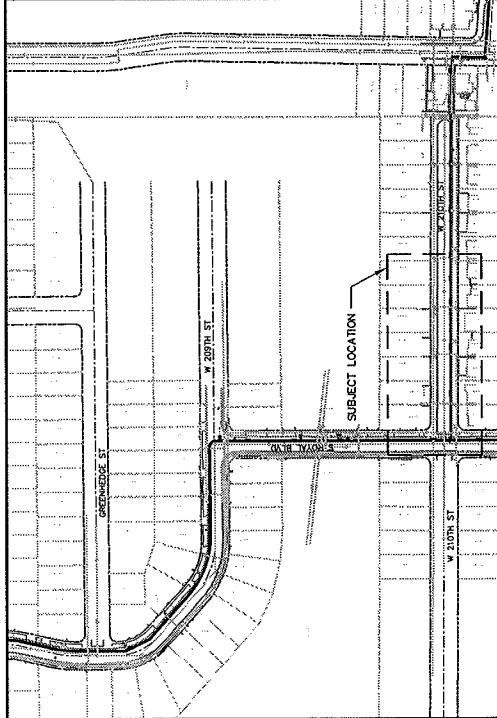
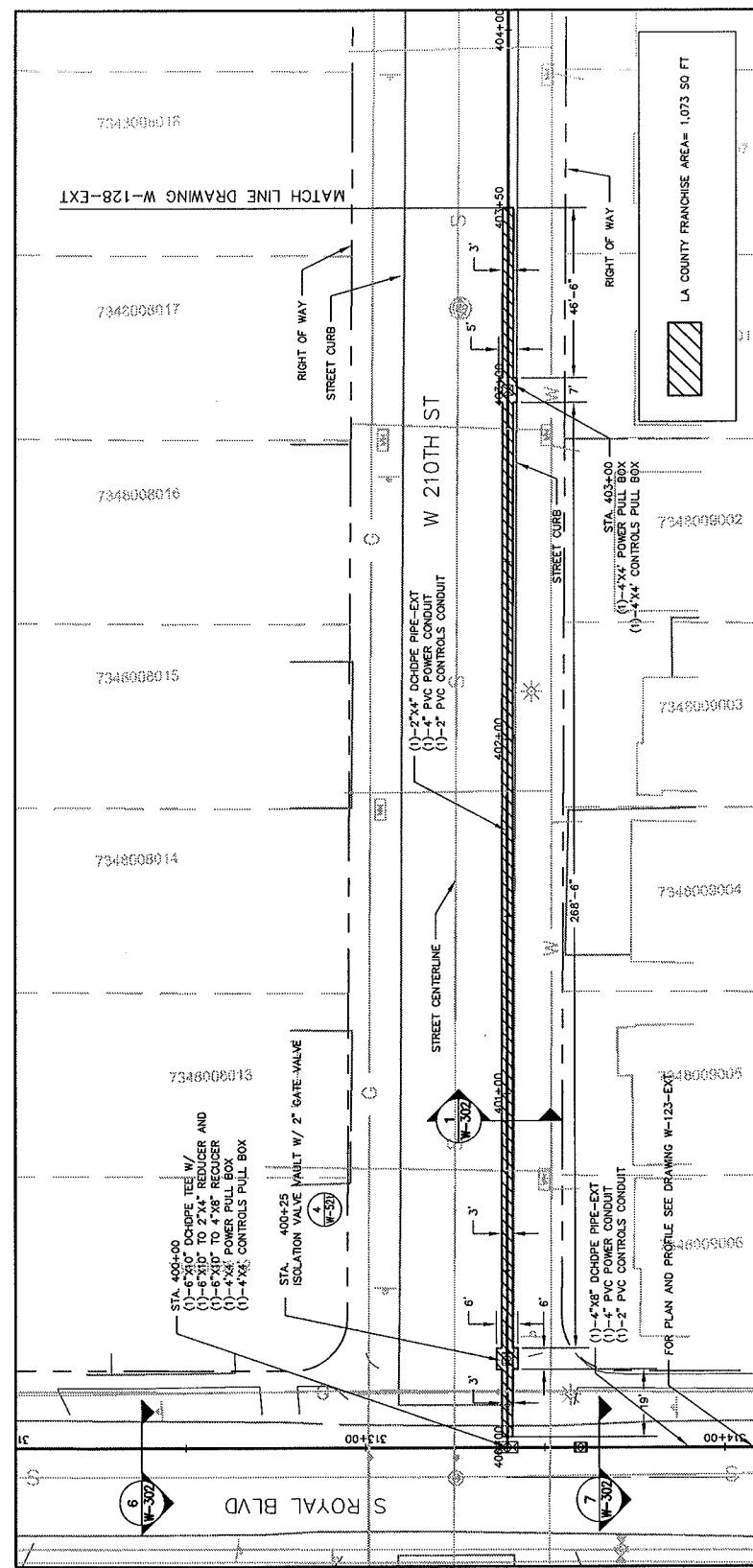
25 0 25 50
SCALE IN FEET



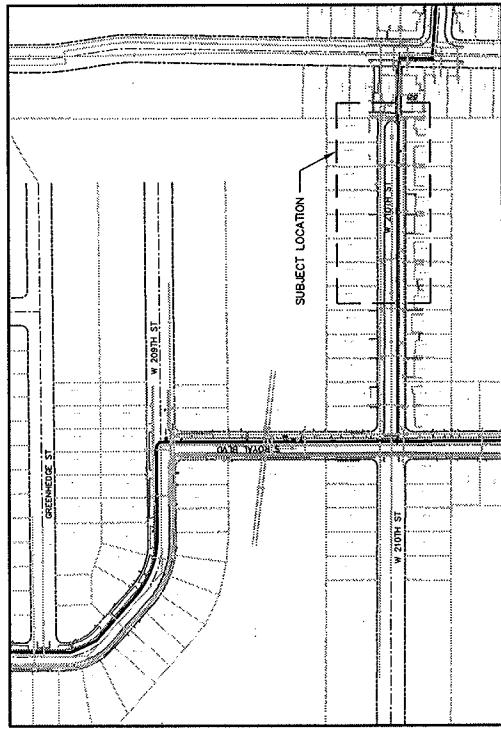
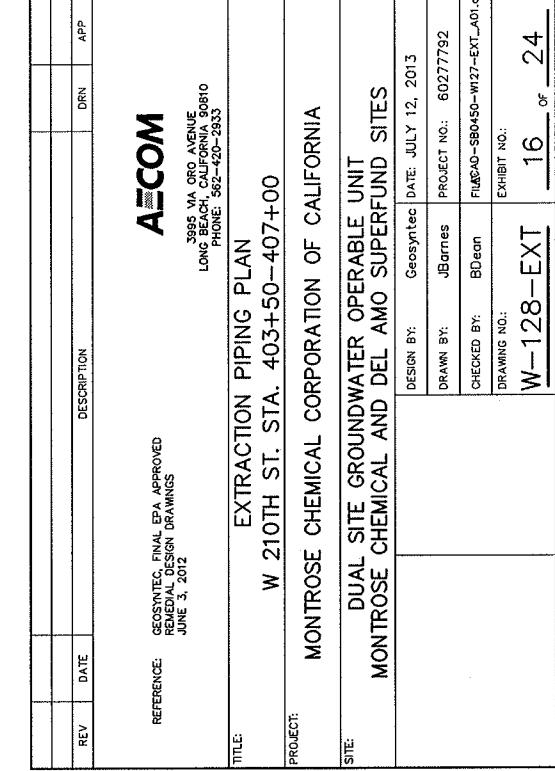
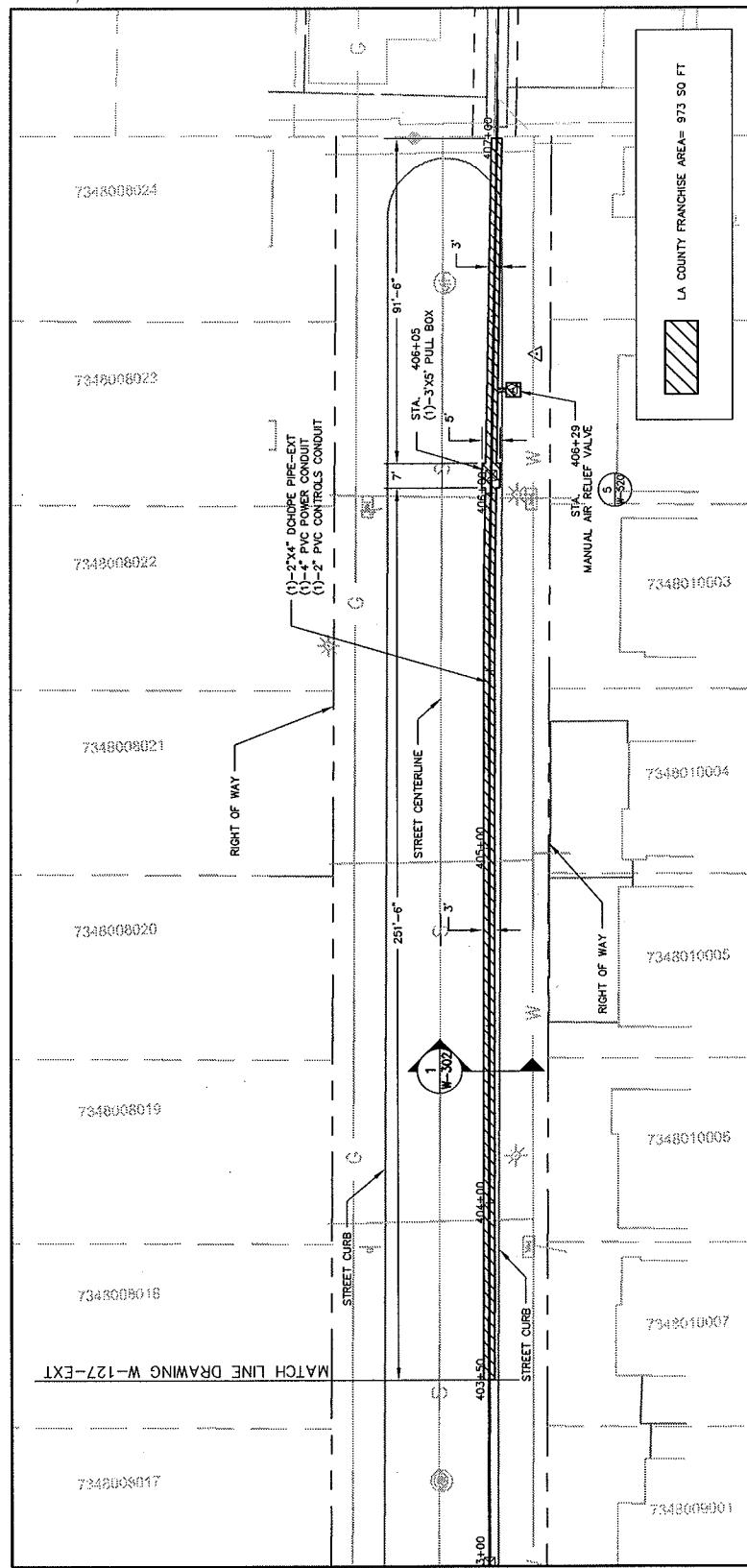
INDEX MAP

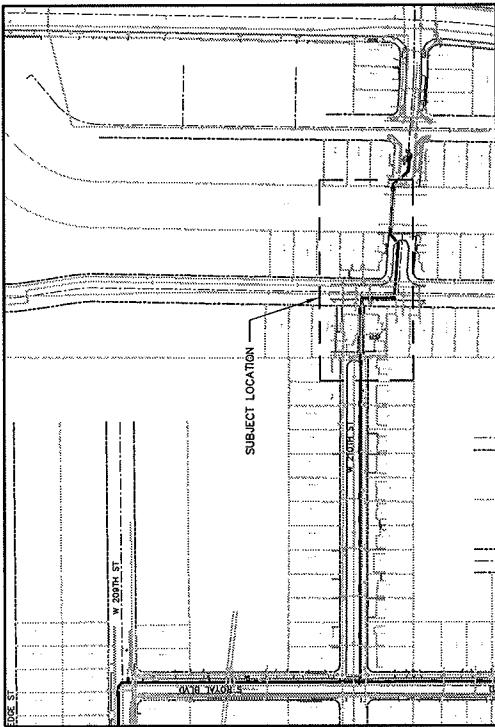
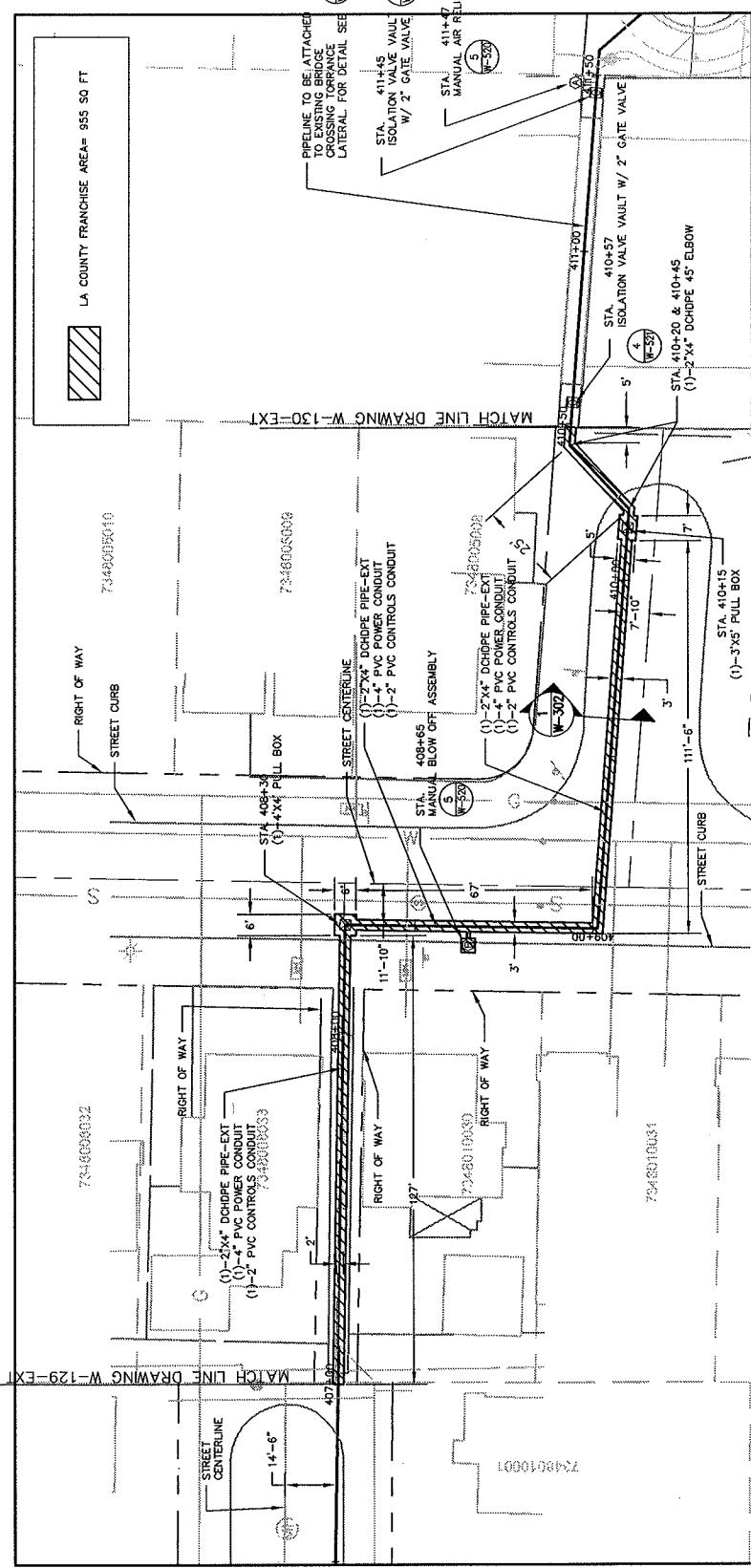


REV	DATE	DESCRIPTION	DRN	APP
<p>AECOM</p> <p>REFERENCE: GEOSTYNTIC, FINAL EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012</p> <p>3905 MA ORO AVENUE LONG BEACH, CALIFORNIA 90810 PHONE: 562-420-2913</p> <p>TITLE: EXTRACTION PIPING PLAN AND PROFILE W 212TH ST. STA. 321+50-323+28</p> <p>PROJECT: MONTROSE CHEMICAL CORPORATION OF CALIFORNIA</p> <p>SITE: MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES</p> <p>DUAL SITE GROUNDWATER OPERABLE UNIT</p>				
		DESIGN BY: DRAWN BY: CHECKED BY: DRAWING NO.:	Geosyntec JBurnes BDean FILE: S80450-W122-EXT-A01.dwg	DATE: JULY 12, 2013 PROJECT NO.: 60277792 EXHIBIT NO.:
				W-126-EXT 14 of 24



REV	DATE	DESCRIPTION	DRN	APP
AECOM				
REFERENCE:	GEOSYNTEC, FINAL EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012			
PROJECT:	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA			
SITE:	DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES			
TITLE:		EXTRACTION PIPING PLAN W 210TH ST. STA. 400+00-403+50		
		DESIGN BY:	Geosyntec	DATE: JULY 12, 2013
		DRAWN BY:	jBarnes	PROJECT NO.:
		CHECKED BY:	BDean	FILE#AD-S60450-W127-EXT_A01.dwg
		DRAWING NO.:		EXHIBIT NO.:
		<u>W-127-EXT</u>	<u>15</u>	<u>24</u>





AECOM

EXTRACTION PIPING PLAN
W 210TH ST. STA. 407+00-410+500

REFERENCE: GEOSYNTEC, FINAL EPA APPROVED
REMEDIATION DRAWINGS
JUNE 3, 2012

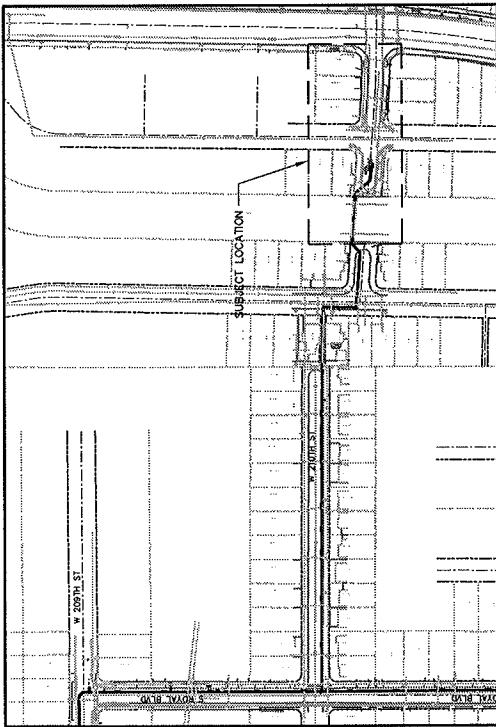
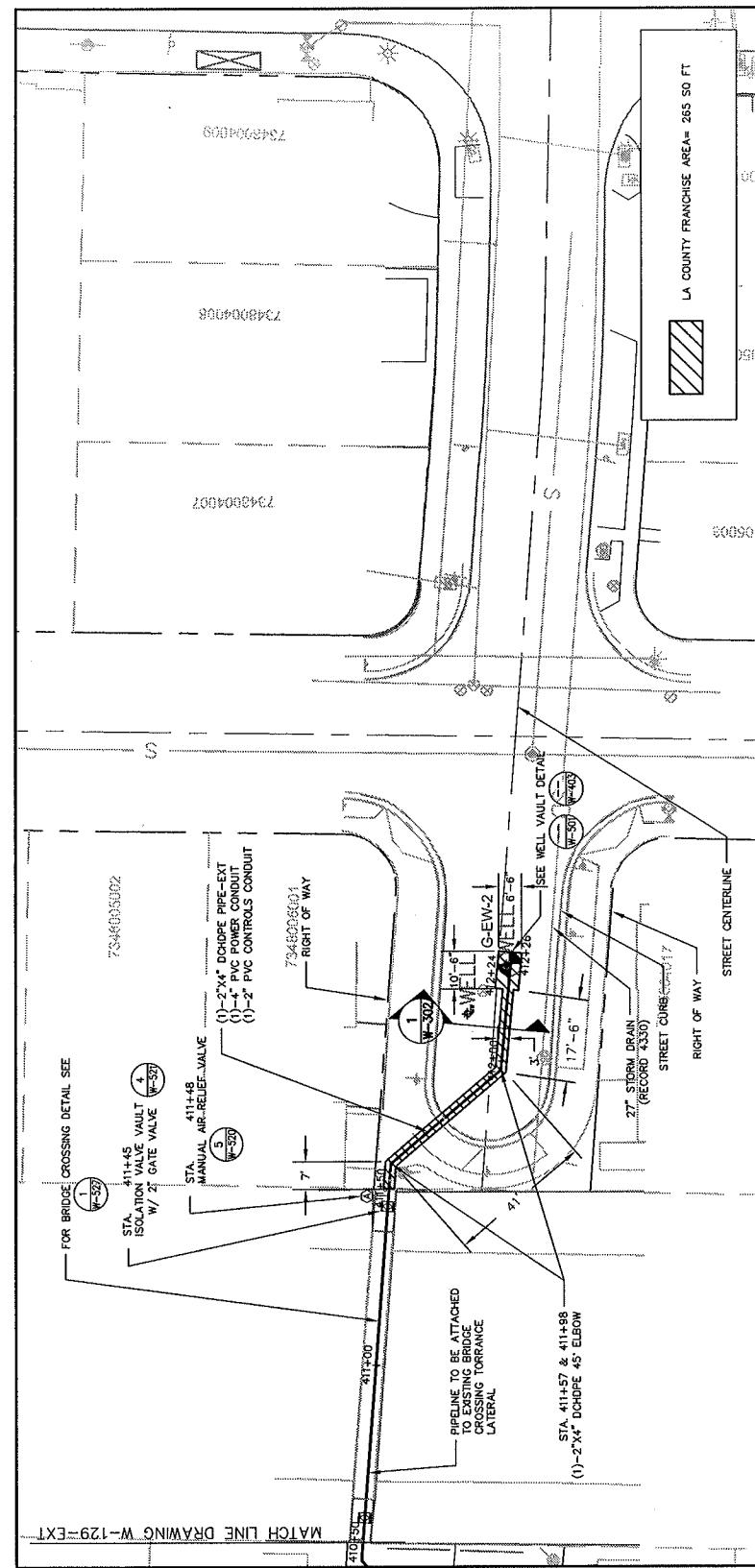
3993 VA UKU AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

EXTRACTION PIPING PLAN
W 210TH ST. STA. 407+00–410+50

MONROSE CHEMICAL CORPORATION OF CALIFORNIA

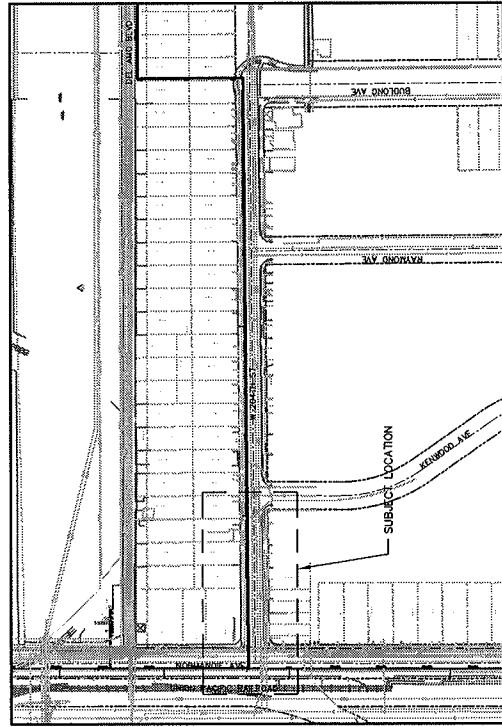
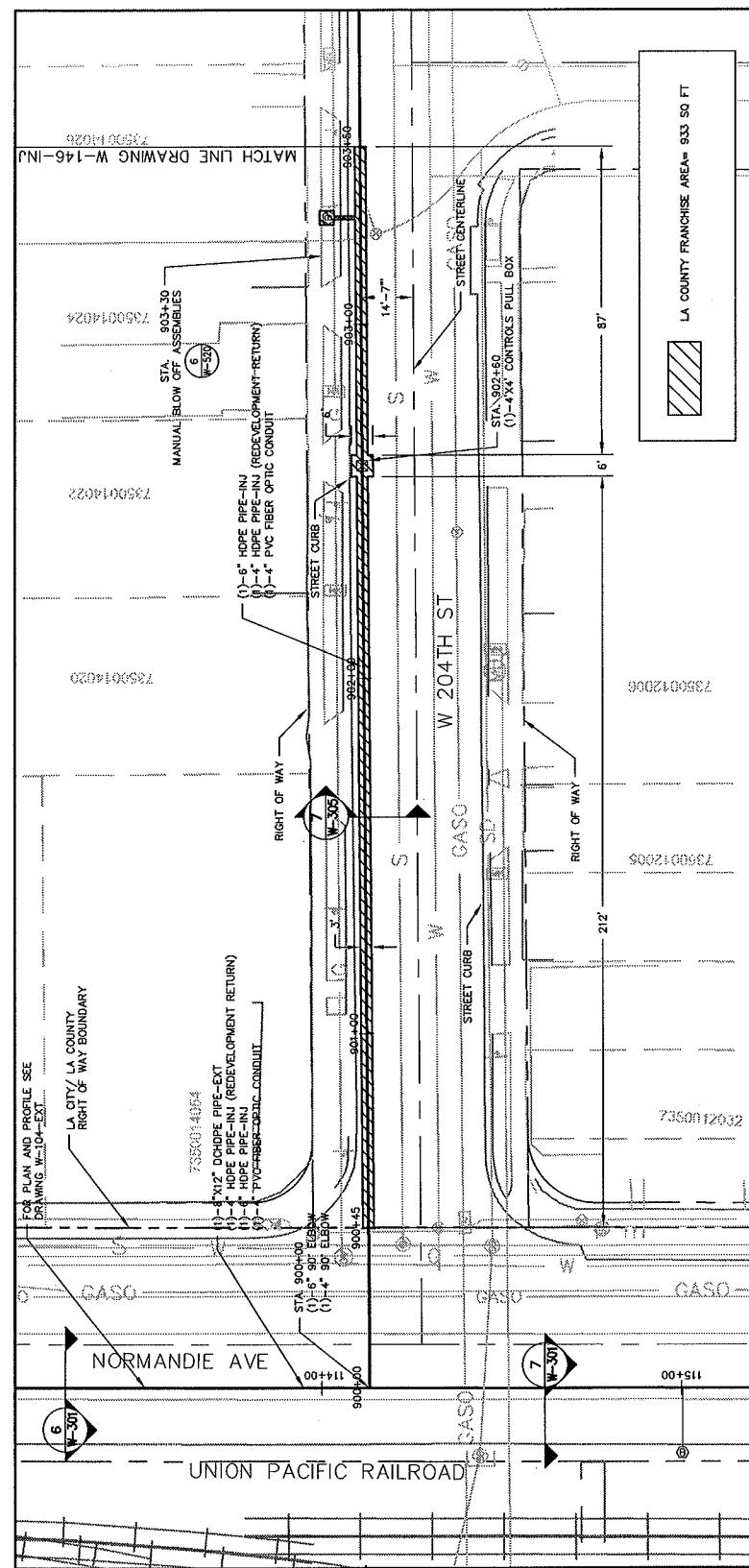
DUAL SITE GROUNDWATER OPERABLE UNIT
MONROSE CHEMICAL AND DEL AMO SUPERFUND SITES

DESIGN BY:	Geosyntec	DATE: JULY 12, 2013
DRAWN BY:	JBarnes	PROJECT NO.: 620277792
CHECKED BY:	BDean	FILE#AD-SB0450-W127-EXT-A01-009
DRAWING NO.:	EXHIBIT NO.:	
<u>W-129-EXT</u>	<u>17</u>	<u>24</u>

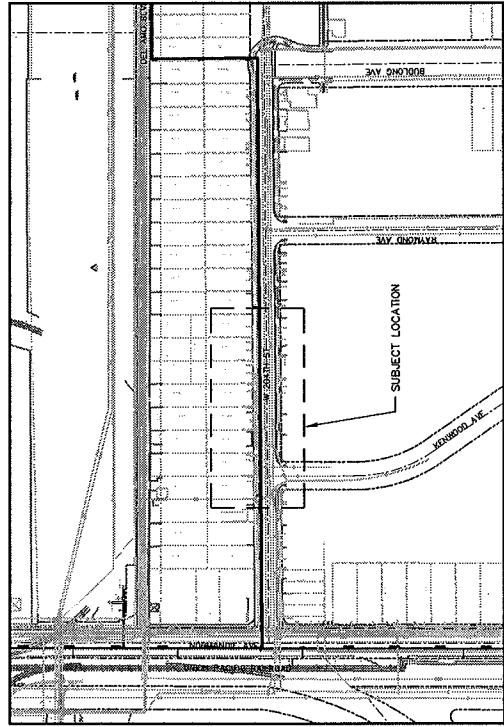
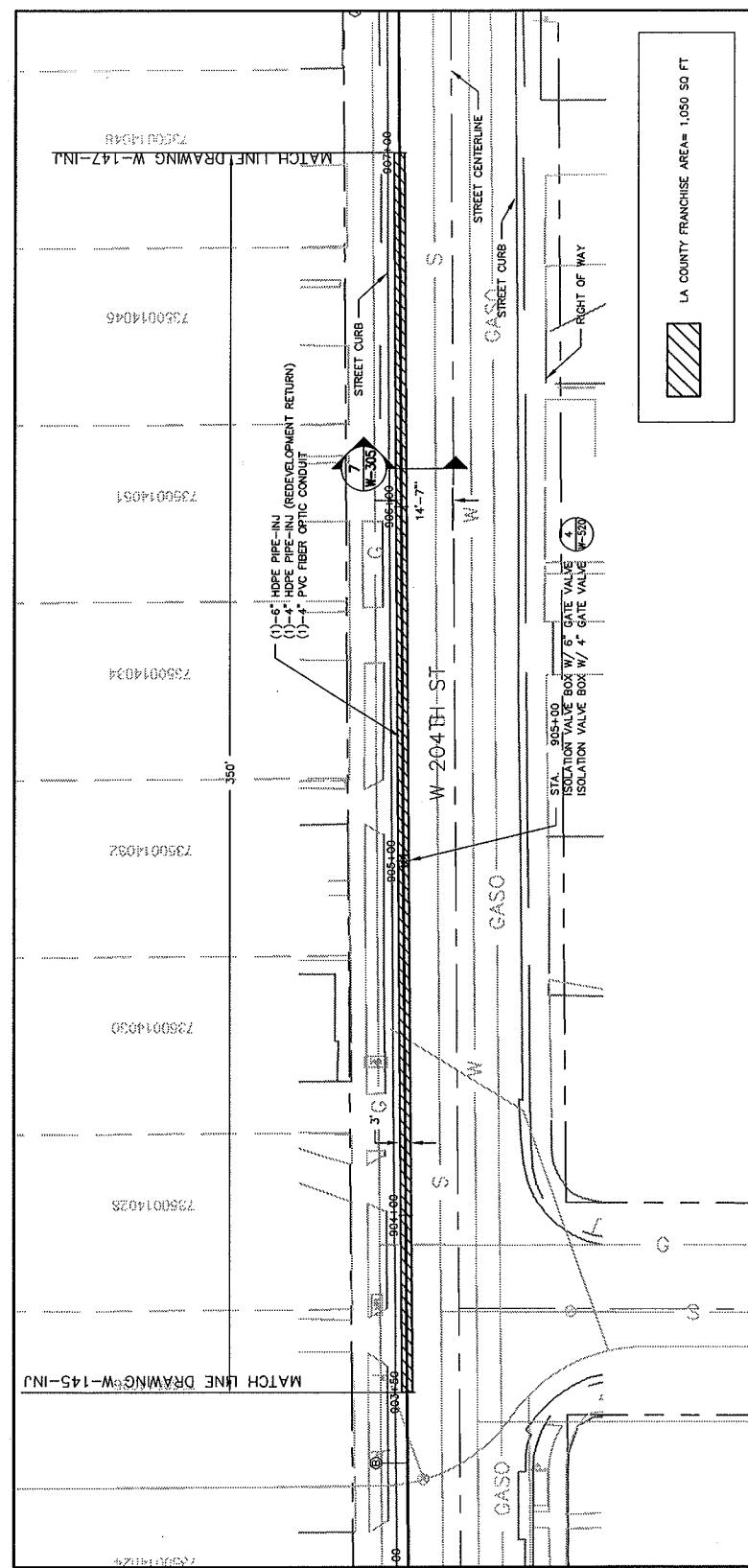


INDEX MAP

REV	DATE	DESCRIPTION	DRN	APP
A COM				
REFERENCE:	GEOSYNTEC, FINAL EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012			
PROJECT:	EXTRACTION PIPING PLAN JAVELIN ST. STA. 410+50-412+26			
TITLE:	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA			
SITE:	DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES			
		DESIGN BY:	Geosyntec DATE: JULY 12, 2013	
		DRAWN BY:	J.Barnes	PROJECT NO.: 60277792
		CHECKED BY:	B.Dean	FILED#-SS0050-WIZZ-EXT-JAG
		DRAWING NO.:	EXHIBIT NO.: <u>W-130-EXT</u> <u>18</u> <u>OF</u> <u>24</u>	



REV	DATE	DESCRIPTION	DRN	APP
A-COM				
REFERENCE:	GEOSTYNEC, FINAL EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012			
PROJECT:	MONTROSE CHEMICAL CORPORATION OF CALIFORNIA			
SITE:	DUAL SITE GROUNDWATER OPERABLE UNIT MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES			
TITLE:	INJECTION PIPING PLAN STA. 900+00 - 903+50			
	3905 VIA ORO AVENUE LONG BEACH, CALIFORNIA 90810 PHONE: 562-420-2853	DESIGN BY: DRAWN BY: CHECKED BY: DRAWING NO:	Geosyntec JBarnes BDeon FILE: S80450-W145-INJ-A01.dwg	DATE: JULY 12, 2013 PROJECT NO.: 60277792 EXHIBIT NO.: <u>W-145-INJ</u> <u>19</u> <u>24</u>



AECOM

3995 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

PROFILE

REV	DATE	DESCRIPTION	DRN	APP

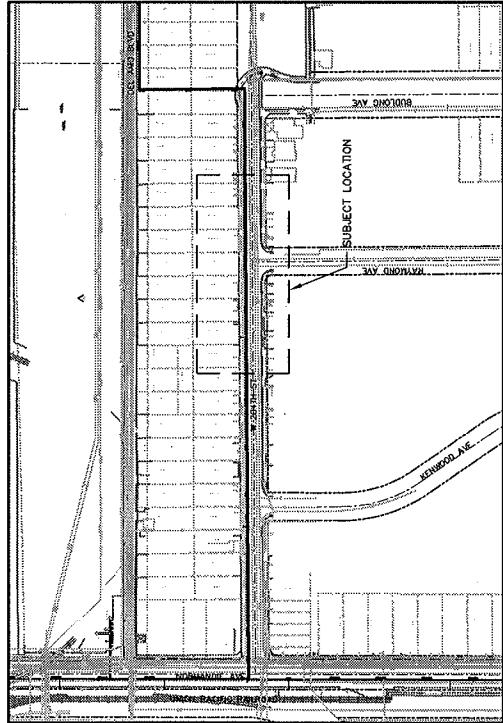
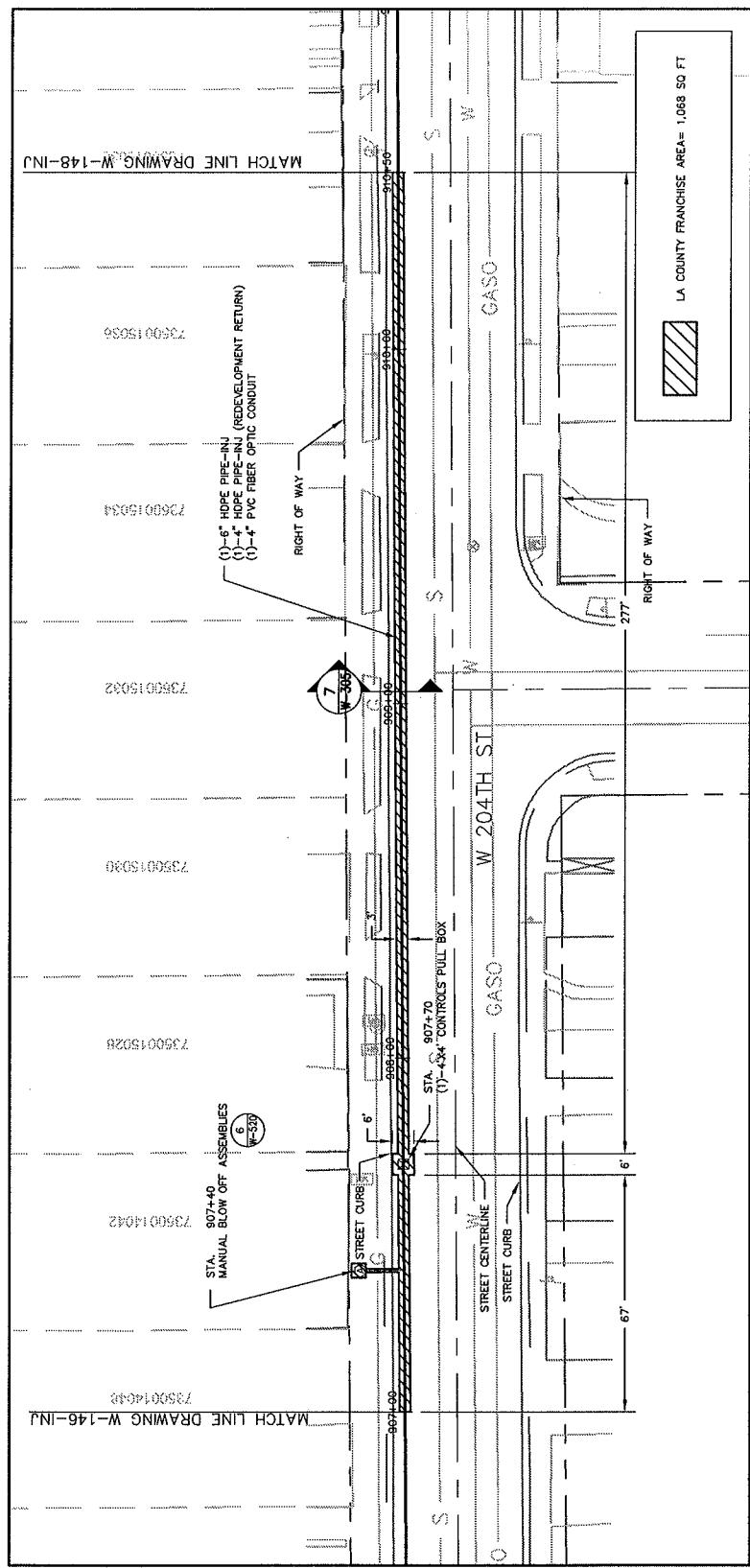
REFERENCE: GEOSYNTEC, FINAL EPA APPROVED
REMEDIAL DESIGN DRAWINGS

INJECTION PIPING PLAN AND PROFILE

MONTROSE CHEMICAL CORPORATION OF CALIFORNIA

DESIGN BY:	Geosyntec	DATE: JULY 12, 2013
DRAWMAN BY:	JBarnes	PROJECT NO.: 60277792
CHECKED BY:	BDean	FILE: S80450-W145-INJ-A01.dwg
DRAWING NO.:		EXHIBIT NO.:
		20 or 24
		<u>W-146-INJ</u>

INDEX MAP



AECOM

3995 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

REV	DATE	DESCRIPTION	DRN	APP

REFERENCE: GEOSYNTEC, FINAL EPA APPROVED
REMEDIAl DESIGN DRAWINGS
JUNE 3, 2012

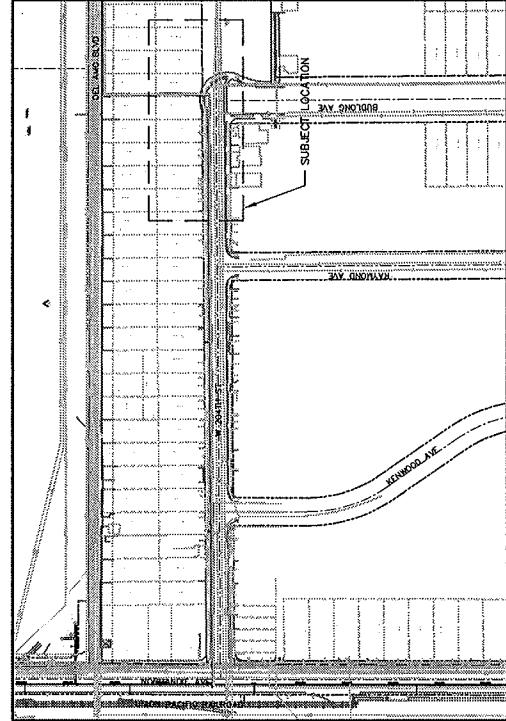
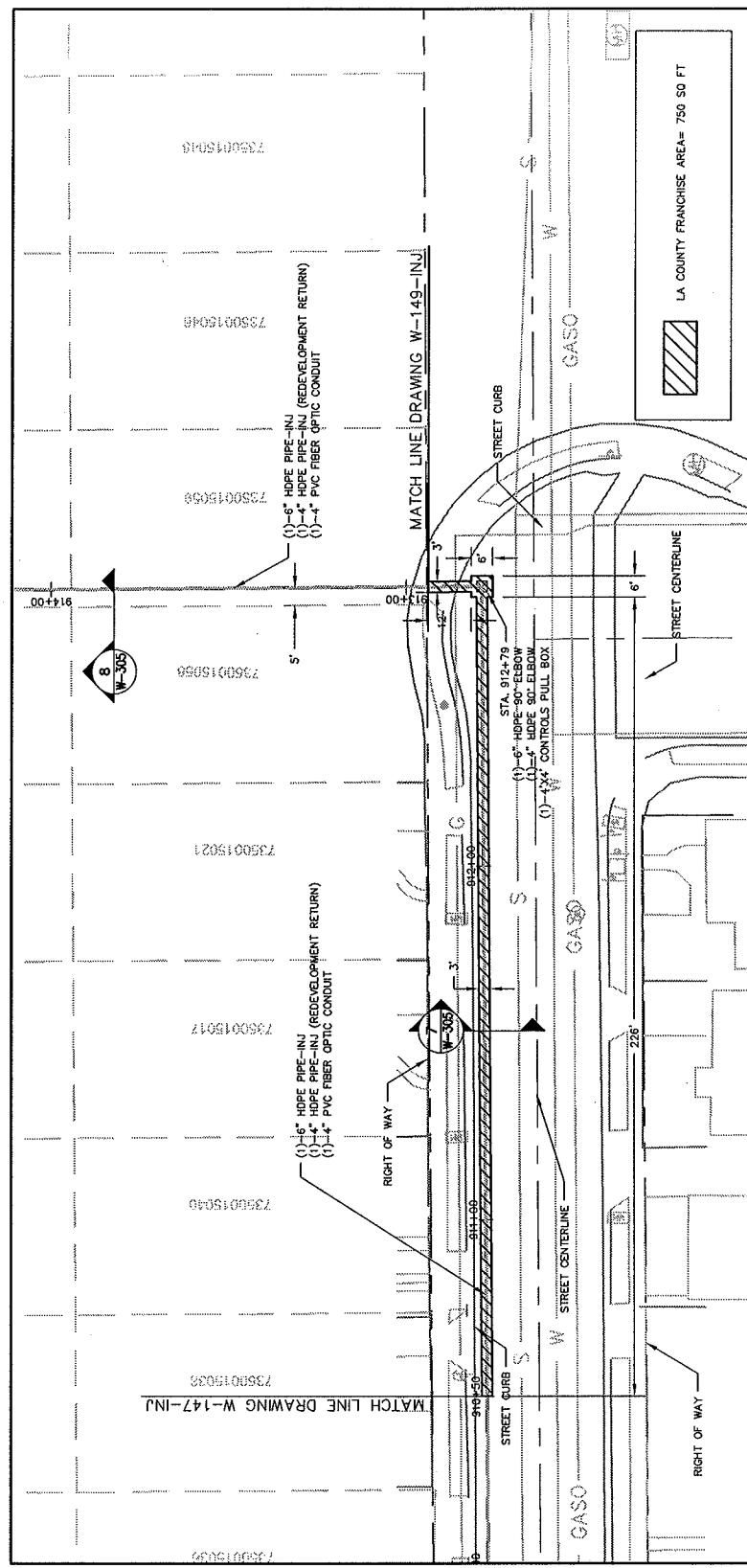
INJECTION PIPING PLAN AND PROFILE

MONTROSE CHEMICAL CORPORATION OF CALIFORNIA

**DUAL SITE GROUNDWATER OPERABLE UNIT
MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES**

DESIGN BY:	Geosyntec	DATE: JULY 12, 2013
DRAWN BY:	JBarnes	PROJECT NO.: 60277792
CHECKED BY:	BDean	FILE: S80450-WH-45-INJ-01.dwg
DRAWING NO.:	EXHIBIT NO.:	
W-147-INJ		21 or 24

INDEX MAP



AECOM

REV	DATE	DESCRIPTION	DRN	APP

AECOM

REFERENCE: GEOSTANTEC, FINAL EPA APPROVED
RENDEN DESIGN DRAWINGS
JUNE 3, 2012

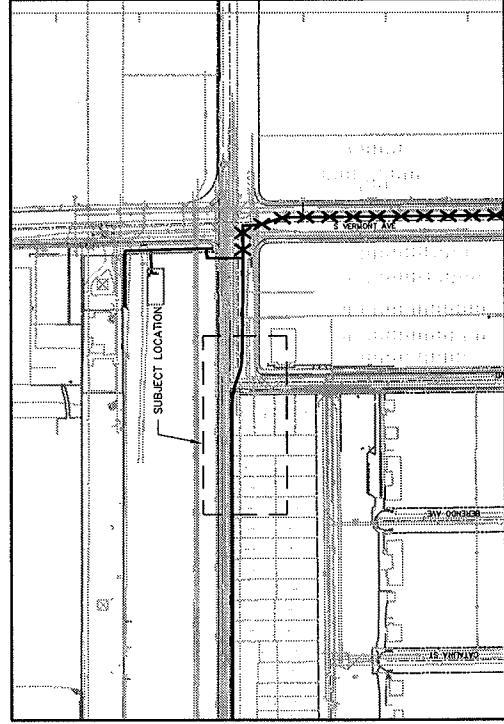
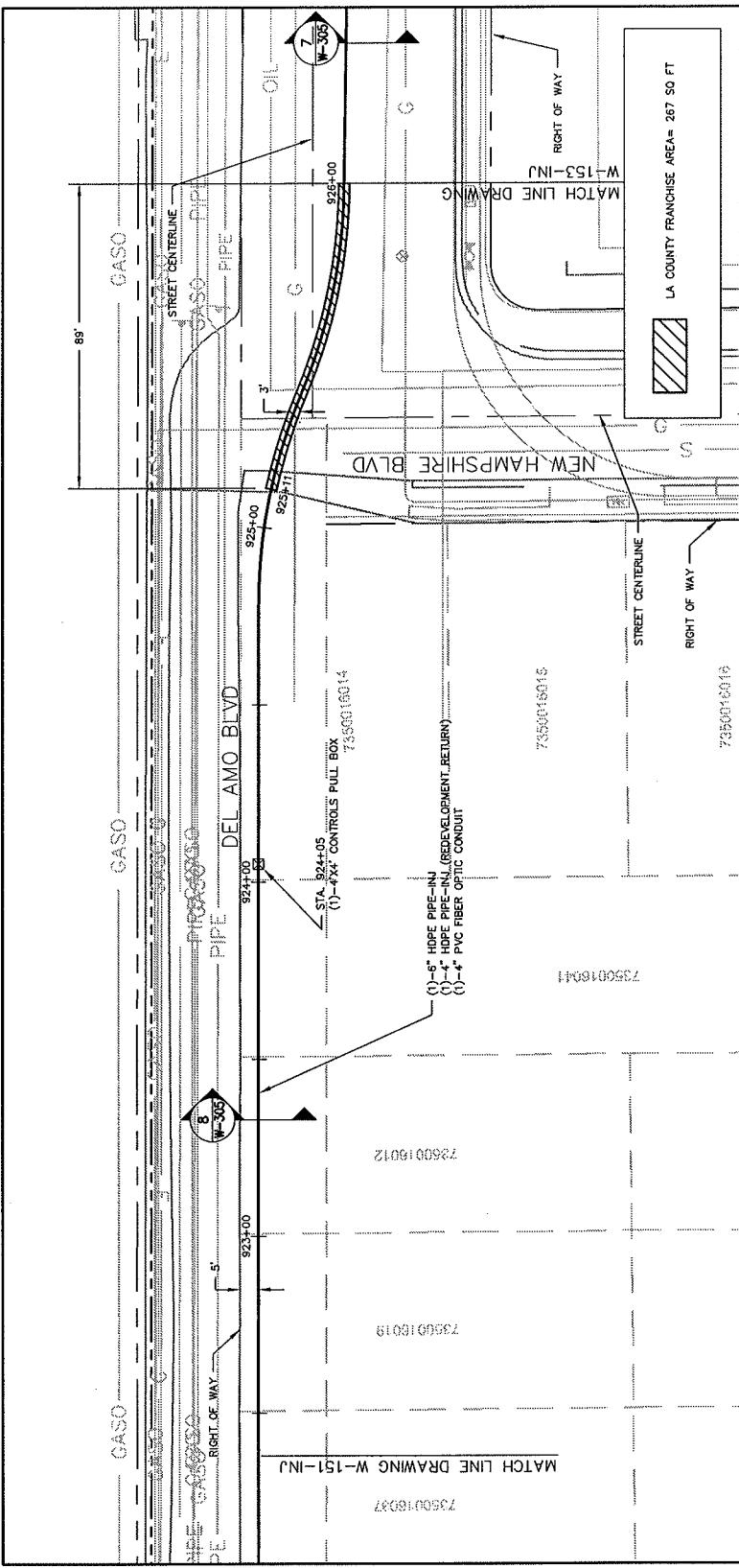
3955 VIA ORO AVENUE,
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

INJECTION PIPING PLAN
STA. 910+50 - 912+94

MONTROSE CHEMICAL CORPORATION OF CALIFORNIA

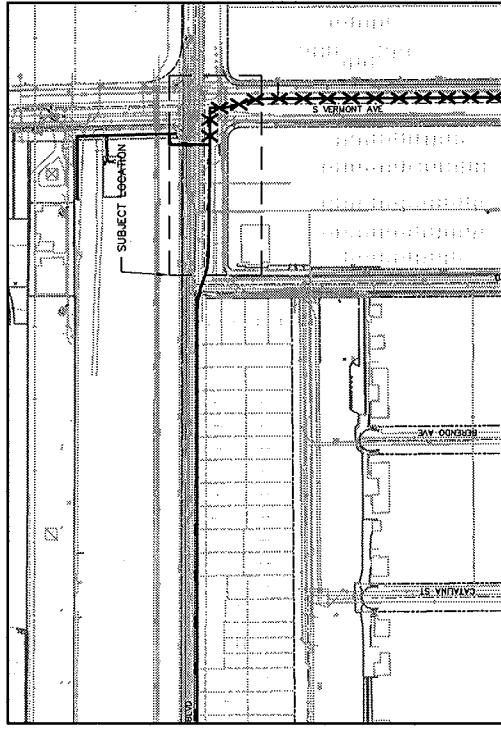
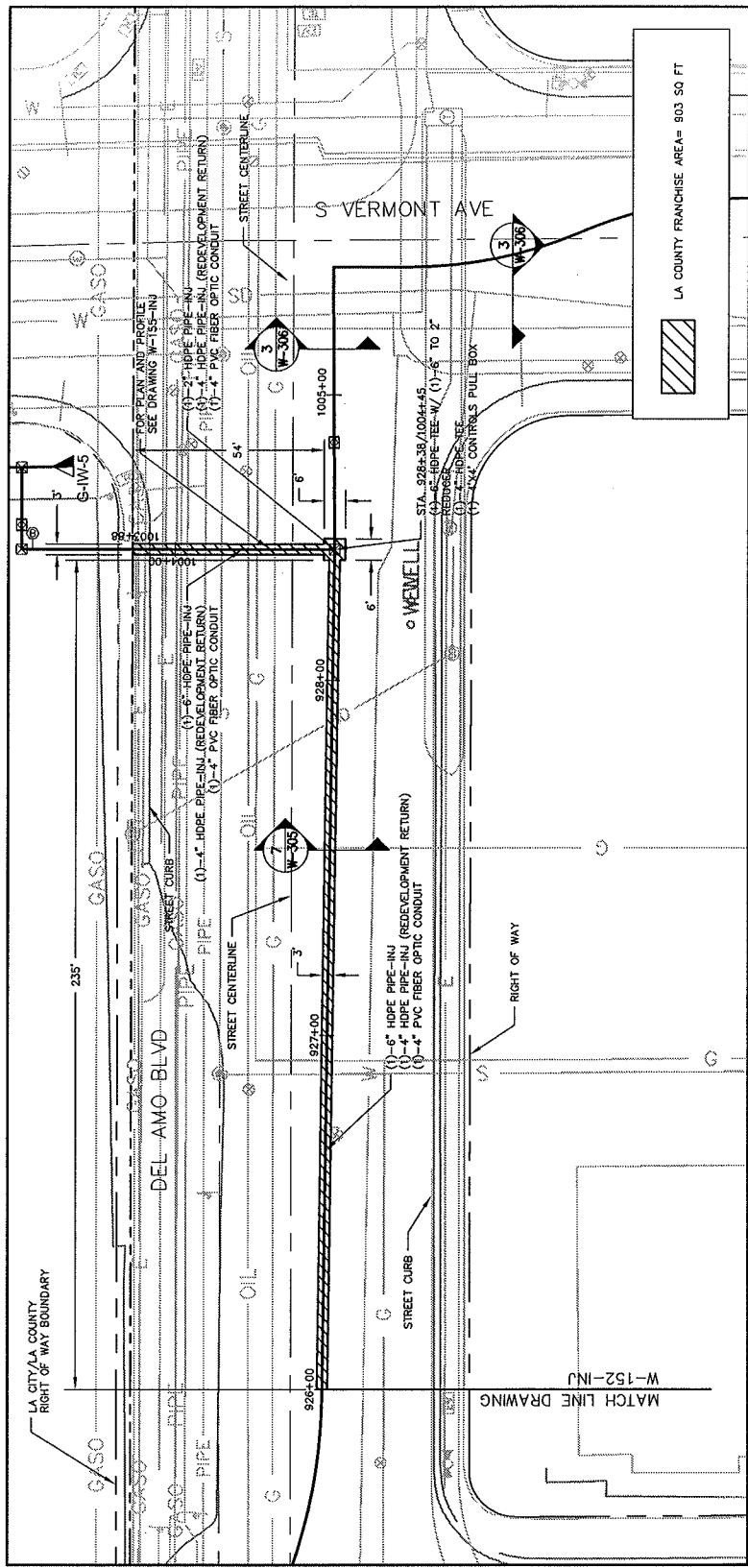
DESIGN BY:	Geosyntec	DATE: JULY 12, 2013
DRAWN BY:	JBarries	PROJECT NO.: 60277792
CHECKED BY:	BDean	FILE: SBO450-W145-1INJ-A01.dwg
DRAWING NO.:	EXHIBIT NO.:	
<u>W-148-1INJ</u>		

INDEX MAP



REV	DATE	DESCRIPTION	DRN	APP
REFERENCE: GEOSYNTEC, FINAL EPA APPROVED REMEDIAL DESIGN DRAWINGS JUNE 3, 2012				
PROJECT: MONTROSE CHEMICAL CORPORATION OF CALIFORNIA				
SITE: MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES				
TITLE: INJECTION PIPING PLAN AND PROFILE STA. 922+50 - 926+00				
<p style="text-align: center;">MONTROSE CHEMICAL CORPORATION OF CALIFORNIA</p> <p style="text-align: center;">DUAL SITE GROUNDWATER OPERABLE UNIT</p> <p style="text-align: center;">MONTROSE CHEMICAL AND DEL AMO SUPERFUND SITES</p>				
		DESIGN BY: Geosyntec	DATE: JULY 12, 2013	
		DRAWN BY: JBarnes	PROJECT NO.: 60277792	
		CHECKED BY: BDean	FILE: 980450-W-15-INJ-A01.dwg	
		DRAWING NO.: W-152-INJ	EXHIBIT NO.: 23 <u>of</u> 24	

INDEX MAP



AECOM

3995 VIA ORO AVENUE
LONG BEACH, CALIFORNIA 90810
PHONE: 562-420-2933

PROFILE 8 - 1001115

CE CALLER

OF CALIFORNIA

ABLE UNIT SITES
SUPERFUND

DATE: JULY 12, 2000

Barnes PROJECT NO.: 602

EXHIBIT NO. 1
FILE: SBO450-WI45-Dean

INDEX MAP

EXHIBIT B

Pursuant to Section 4, Security/Bond, of this franchise ordinance, in order to relieve Montrose Chemical Corporation of California ("Montrose") of the obligation of maintaining a bond, conditions and requirements substantially the same as the following must be included in the Operations and Maintenance Consent Decree ("Consent Decree") or Statement of Work attached thereto ("SOW"):

1. **Compliance with Franchise and Lease:** To the extent that elements of work required under this SOW occur within rights-of-way controlled by the County of Los Angeles (the "County"), Montrose shall comply with the requirements of the Franchise granted to Montrose on [Date]. To the extent that elements of work required under this SOW occur on property controlled by the Los Angeles County Flood Control District (the "District"), Montrose shall comply with the requirements of the Lease entered into between Montrose and the District on [Date].

2. **Pipeline Abandonment/Removal Work Plan:** At the termination or expiration of the Franchise, or at such time that the Environmental Protection Agency ("EPA") provides written notification that access to County rights-of-way is no longer necessary to conduct the elements of work required by this SOW, Montrose or other Work Group 1 defendant named in the Consent Decree shall remove or abandon the facilities in County rights-of-way as directed by County at their expense in accordance with all then existing abandonment and/or removal

procedures required by the County for pipelines and wells in County rights-of-way. At the termination or expiration of the Lease, or at such time that the EPA provides written notification that access to property controlled by the District is no longer necessary to conduct the elements of work required by this SOW, Montrose or other Work Group 1 defendant named in the Consent Decree shall remove or abandon the facilities within District's property at their expense as directed by District in accordance with all then existing abandonment and/or removal procedures required by District for pipelines and wells on District property. The removal or abandonment must be completed in accordance with a Work Plan approved by the County and/or District documenting the following:

- the anticipated schedule for abandonment/removal
- traffic control and public protection procedures, if applicable
- a description of waste handling procedures and sampling to be performed, if any; and
- other pertinent information regarding the specific field activity.

EXHIBIT C

Pursuant to Section 3, Indemnification and Insurance, of this franchise ordinance, in order to relieve Montrose Chemical Corporation of California ("Montrose") of the obligation of maintaining the Environmental Impairment Liability Insurance, requirements substantially the same as the following must be included in an agreement such as an Operations and Maintenance Consent Decree ("Consent Decree") or Statement of Work attached thereto ("SOW"):

Upon the occurrence of any event during performance of any work performed pursuant to the SOW ("Work") that Montrose or other defendant named in the Consent Decree (collectively "Settling Defendants") are required to report pursuant to Section 103 of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9603, or Section 304 of the Emergency Planning and Community Right-to-know Act ("EPCRA"), 42 U.S.C. § 11004, Settling Defendants shall within 24 hours of the onset of such event orally notify the EPA Project Coordinator or the Alternate EPA Project Coordinator (in the event of the unavailability of the EPA Project Coordinator), or, in the event that neither the EPA Project Coordinator nor Alternate EPA Project Coordinator is available, the Emergency Response Section, Region 9, United States Environmental Protection Agency. These reporting requirements are in addition to the reporting required by CERCLA Section 103 or EPCRA Section 304.

If any action or occurrence during the performance of the Work that causes or threatens a release of Waste Material (as that term is defined in the Consent Decree) from the site that is the subject of the Consent Decree ("Site") that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, Settling Defendants shall, subject to Paragraph __ [the paragraph immediately after this paragraph], immediately take all appropriate action to prevent, abate, or minimize such release or threat of release, and shall immediately notify the EPA's Project Coordinator, or, if the Project Coordinator is unavailable, EPA's Alternate Project Coordinator. If neither of these persons is available, Settling Defendants shall notify the EPA [Emergency Response Unit], Region 9. Settling Defendants shall take such actions in consultation with EPA's Project Coordinator or other available authorized EPA officer and in accordance with all applicable provisions of the Health and Safety Plans, the Contingency Plans, and any other applicable plans or documents developed pursuant to the SOW. In the event that Settling Defendants fail to take appropriate response action as required by this Section, and EPA [or, as appropriate, the State] take[s] such action instead, Settling Defendants shall reimburse EPA [and the State] all costs of the response action under Section [] (Payments for Response Costs).

Subject to Section [] (Covenants by Plaintiff[s]), nothing in the preceding Paragraph or in this Consent Decree shall be deemed to limit

any authority of the United States[or the State,] (a) to take all appropriate action to protect human health and the environment or to prevent, abate, respond to, or minimize an actual or threatened release of Waste Material on, at, or from the Site, or (b) to direct or order such action, or seek an order from the Court, to protect human health and the environment or to prevent, abate, respond to, or minimize an actual or threatened release of Waste Material on, at, or from the Site.